

MUTALE LOCAL MUNICIPALITY



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015**

Annual Financial Statements

for

Mutale Municipality

for the year ended 30 June:

2015

Province:

Limpopo

AFS rounding:

R (i.e. only cents)

Contact Information:

Name of Municipal Manager:

Razwiedani Shumani Samuel

Name of Chief Financial Officer:

Ramadiga Melvin Marutha

Contact telephone number:

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Rapholo M.G

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Name of relevant Auditor:

Auditor General South Africa

Contact telephone number:

015 283 9300

Contact e-mail address:

VictorB@agsa.co.za

Name of contact at National Treasury:

[Sello Mashaba](#)

Contact telephone number:

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#REF!
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2015

General information

Members of the Council

Councillor A.S Rambuda
Councillor L.H Netshipise
Councillor A.H Nekhunguni
Councillor N.A Lieba
Councillor A.G Netshisaulu
Councillor T.J Ruluswina
Councillor T.S Madume
Councillor L.D Mpondo
Councillor A.B Matshusa
Councillor K.P Tshivhenga
Councillor A.R Mavhungu
Councillor N.G Mawela
Councillor N.P Munzhelele
Councillor M.J Mariba
Councillor K.A Lukhalimana
Councillor H.N Nephali
Councillor N.E Mudzielwana
Councillor T.S Pandelane
Councillor V.R Maisha
Councillor N.J Mukwevho
Councillor A.S Thabatshira
Councillor G.G Nekhubvi
Councillor J.K Khunwana
Councillor R.L Gababeni
Councillor M.P Mbedzi
Councillor L.M Netshisaulu

Mayor
Speaker
Chief Whip
Member of the Executive Committee
Member of the Executive Committee
Member of the Executive Committee
MPAC Chairperson

Municipal Manager

Mr Razwiedani S.S

Chief Financial Officer

Mr Marutha R.M

Grading of Local Authority

Grade 2

Auditors

Auditor-General

Bankers

First National Bank

#REF!
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2015

General information (continued)

Registered Office:

Old Manenu Building,Battalion Building,Mutale Town

Physical address:

New Municipal Offices
Mutale
0956

Postal address:

PRIVATE BAG X1254
MUTALE
0956

Telephone number:

015 967 9600

Fax number:

015 967 9677

E-mail address:

info@mutale.gov.za

Mutale Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2015

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 53, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager:

DATE

Mutale Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2015

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Mutale Municipality
Statement of Financial Position
as at 30 June 2015

| | Note | 2015 R | 2014 R Restated |
|--|------|--------------------|-----------------------|
| ASSETS | | | |
| Current assets | | 41 610 676 | 19 555 198 |
| Inventories | 2 | 4 516 953 | 7 389 765 |
| Cash and cash equivalents | 3 | 32 874 715 | 4 281 521 |
| Trade and other receivables from exchange transactions | 4 | 157 679 | 838 285 |
| Trade and other receivables from non-exchange transactions | 5 | 3 209 230 | 2 858 877 |
| VAT receivable | 11 | 852 098 | 4 186 750 |
| Non-current assets | | 103 792 572 | 86 117 632 |
| Property, plant and equipment | 6 | 101 480 811 | 83 823 535 |
| Intangible assets | 7 | 311 760 | 294 097 |
| Investment Property | 8 | 2 000 000 | 2 000 000 |
| Total assets | | 145 403 247 | 105 672 830 |
| LIABILITIES | | | |
| Current liabilities | | 22 898 000 | 22 212 061 |
| Trade and other payables from exchange transactions | 9.1 | 22 207 216 | 18 385 754 |
| Trade and other payables from non exchange transactions | 9.2 | - | - |
| Consumer deposits | 10 | 230 333 | 229 258 |
| Current portion of unspent conditional grants and receipts | 13 | - | 3 188 046 |
| Current portion of long-term borrowings | 14 | 393 514 | 348 889 |
| Current portion of finance lease liability | 15 | 66 937 | 60 114 |
| Non-current liabilities | | 5 227 058 | 5 421 224 |
| Non-current borrowings | 14 | 106 126 | 499 640 |
| Non-current finance lease | 15 | 71 347 | 140 082 |
| Non-current provisions | 12 | 5 049 585 | 4 781 502 |
| Total liabilities | | 28 125 057 | 27 633 285 |
| Net assets | | 117 278 190 | 78 039 545 |
| NET ASSETS | | | |
| Accumulated surplus | | 117 278 191 | 78 039 546 |
| Total net assets | | 117 278 191 | 78 039 546 |

Mutale Municipality
Statement of Financial Performance
for the year ending 30 June 2015

| | Notes | 2015 R | 2014 R Restated |
|--|-------|---------------------|-----------------------|
| REVENUE | | | |
| Revenue from exchange transactions | | 10 238 249 | 7 967 508 |
| Service charges | 17 | 1 233 305 | 542 947 |
| Rental of facilities and equipment | 18 | 119 592 | 72 525 |
| Interest earned - external investments | 19 | 1 365 009 | 980 576 |
| Interest earned - outstanding receivables | 20 | 259 539 | 529 203 |
| Licences and permits | | 2 671 012 | 2 200 226 |
| Other income from exchange transactions | 22 | 4 589 792 | 3 642 030 |
| Revenue from non-exchange transactions | | 98 678 110 | 90 419 153 |
| Property rates | 16 | 1 989 923 | 1 298 561 |
| Fines | | 358 400 | 422 660 |
| Government grants and subsidies | 21 | 96 329 787 | 88 697 931 |
| Total revenue | | 108 916 359 | 98 386 661 |
| EXPENSES | | | |
| Employee related costs | 23 | 32 611 539 | 28 047 023 |
| Remuneration of councillors | 24 | 7 969 874 | 7 121 670 |
| Bad debts and impairment) | | 8 843 409 | 14 401 876 |
| Depreciation and amortisation expense | 25 | 4 095 829 | 2 768 414 |
| Repairs and maintenance | | 1 186 575 | 1 475 149 |
| Finance costs | 26 | 110 380 | 139 310 |
| Contracted services | 27 | 1 548 158 | 1 819 271 |
| General expenses | 28 | 10 513 300 | 13 274 615 |
| Total expenses | | (66 879 064) | (69 047 328) |
| Inventory writte down | | (2 798 651) | - |
| Loss on disposal of assets | 29 | - | (133 544) |
| Surplus for the period | | 39 238 645 | 29 205 788 |
| Attributable to owners of the controlling entity | | 39 238 645 | 29 205 788 |
| Surplus for the period | | 39 238 645 | 29 205 788 |

Mutale Municipality
Statement of Changes in Net Assets
as at 30 June 2015

| | | | Accumulated Surplus/(Deficit) | Total: Net Assets |
|--|-------------|-------------|----------------------------------|--------------------|
| | | | R | R |
| Balance at 30 June as originally stated | 2013 | | 40 348 854 | 40 348 854 |
| Surplus / (deficit) for the period | | | 32 225 552 | 32 225 552 |
| Prior period error | | 42.1 | -23 740 648 | -23 740 648 |
| Balance at 30 June (Restated) | 2013 | | 48 833 758 | 48 833 758 |
| Correction of prior period error | | | 29 205 788 | 29 205 788 |
| Surplus for the period | | 42.2 | 78 039 546 | 78 039 546 |
| Balance at 30 June (Restated) | 2014 | | 39 238 645 | 39 238 645 |
| Surplus / (deficit) for the period | | | 117 278 191 | 117 278 191 |
| Balance at 30 June | 2015 | | | |

Mutale Municipality
Cash Flow Statements
as at 30 June 2015

| | Note | 2015 R | 2014 R |
|--|------|---------------------|---------------------|
| | | | Restated |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 103 737 854 | 98 511 662 |
| Customers receipts | | 7 408 067 | 9 813 730 |
| Grants | | 96 329 787 | 88 697 931 |
| Payments | | | |
| Employee costs | | 40 581 413 | 32 110 191 |
| Payments to suppliers | | 9 193 632 | 28 957 316 |
| Movement in grants | | 3 188 046 | 21 454 931 |
| | | 52 963 090 | 82 522 438 |
| Net Cash inflow from operating activities | 31 | 50 774 764 | 15 989 223 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets (PPE) | | (21 672 473) | (31 919 482) |
| Proceeds from sale of fixed assets | | - | 69 894 |
| Purchase of intangibles | | (92 296) | (69 478) |
| | | (21 764 769) | (31 919 066) |
| Net cash flows from investing activities | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | | (348 888) | (309 183) |
| Repayment of borrowings | | - | 151 636 |
| Increase finance lease liability | | (67 912) | |
| Repayment of finance lease liability | | | |
| | | (416 800) | (157 547) |
| Net cash flows from financing activities | | | |
| Net increase / (decrease) in cash and cash equivalents | | 28 593 195 | (16 087 389) |
| Net cash and cash equivalents at beginning of period | | 4 281 521 | 20 368 910 |
| Net cash and cash equivalents at end of period | 32 | 32 874 716 | 4 281 521 |

Mutale Municipality
Statement of comparison of budget to actual comparison
as at 30 June 2015

| Description | 2014/15 | | | | | | | | 2013/14 | | | |
|--|-----------------|--|--------------------------|----------------|--------------------------|-----------------|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| | Original Budget | Budget Adjustments (i.t.o. MFMA s28) | Final adjustments budget | Actual Outcome | Unauthorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| R thousands | | | | | | | | | | | | |
| Financial Performance | | | | | | | | | | | | |
| Property rates | 2 150 | (240) | 1 910 | 1 990 | | 80 | 104.2% | 92.6% | | | | 1 299 |
| Service charges | 943 | 281 | 1 224 | 1 233 | | 9 | 100.7% | 130.8% | | | | 543 |
| Investment revenue | 320 | 280 | 600 | 1 365 | | 765 | 227.5% | 426.6% | | | | 981 |
| Transfers recognised - operational | 70 265 | 184 | 70 449 | 76 767 | | 6 318 | 109.0% | 109.3% | | | | 48 460 |
| Other own revenue | 8 417 | (717) | 7 701 | 7 542 | | (159) | 97.9% | 89.6% | | | | 6 867 |
| Total Revenue (excluding capital transfers and contributions) | 82 096 | (211) | 81 884 | 88 898 | | 7 013 | 108.6% | 108.3% | | | | 58 149 |
| Employee costs | 35 972 | (2 605) | 33 367 | 33 407 | - | 39 | 100.1% | 92.9% | - | - | - | 28 047 |
| Remuneration of councillors | 7 461 | 33 | 7 494 | 7 970 | - | 476 | 106.4% | 106.8% | - | - | - | 7 122 |
| Debt impairment | 2 112 | - | 2 112 | 3 619 | - | 1 507 | 171.3% | 171.3% | - | - | - | 14 402 |
| Depreciation & asset impairment | 3 000 | - | 3 000 | 3 544 | - | 544 | 118.1% | 118.1% | - | - | - | 2 769 |
| Finance charges | 119 | 34 | 153 | 110 | - | (42) | 72.2% | 92.6% | - | - | - | 139 |
| Materials and bulk purchases | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and grants | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expenditure | 22 719 | 1 774 | 24 494 | 17 133 | - | (7 360) | 70.0% | 75.4% | - | - | - | 16 635 |
| Total Expenditure | 71 384 | (764) | 70 620 | 65 783 | - | (4 837) | 93.2% | 92.2% | - | - | - | 69 114 |
| Surplus/(Deficit) | 10 712 | 553 | 11 265 | 23 115 | | 11 850 | 205.2% | 215.8% | | | | (10 965) |
| Transfers recognised - capital | 22 855 | 3 040 | 25 895 | 19 563 | | (6 332) | 75.5% | 85.6% | | | | 40 238 |
| Contributions recognised - capital & contributed assets | - | - | - | - | | - | - | - | | | | - |
| Surplus/(Deficit) after capital transfers & contributions | 33 567 | 3 593 | 37 160 | 42 678 | | 5 518 | 114.8% | 127.1% | | | | 29 273 |
| Share of surplus/ (deficit) of associate | - | - | - | - | | - | - | - | | | | - |
| Surplus/(Deficit) for the year | 33 567 | 3 593 | 37 160 | 42 678 | | 5 518 | 114.8% | 127.1% | | | | 29 273 |
| Capital expenditure & funds sources | | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | | |
| Transfers recognised - capital | 22 855 | 2 003 | 24 858 | 20 420 | | (4 438) | 82.1% | 89.3% | | | | 41 260 |
| Public contributions & donations | - | - | - | - | | - | - | - | | | | - |
| Borrowing | - | - | - | - | | - | - | - | | | | - |
| Internally generated funds | 10 712 | (984) | 9 728 | 1 252 | | (8 476) | 12.9% | 11.7% | | | | 343 |
| Total sources of capital funds | 33 567 | 1 019 | 34 586 | 21 672 | | (12 914) | 62.7% | 64.6% | | | | 41 603 |
| Cash flows | | | | | | | | | | | | |
| Net cash from (used) operating | 37 262 | (378) | 36 884 | 51 607 | | 14 723 | 139.9% | 138.5% | | | | 17 656 |
| Net cash from (used) investing | (32 377) | (959) | (33 336) | (21 898) | | 11 438 | 65.7% | 67.6% | | | | (22 301) |
| Net cash from (used) financing | (346) | - | (346) | (409) | | (63) | 118.3% | 118.3% | | | | (500) |
| Cash/cash equivalents at the year end | 8 821 | 8 198 | 7 484 | 32 875 | | 25 391 | 439.3% | 372.7% | | | | 4 282 |

Note

Explanation of variances greater than 10%: final budget and actual amounts
See note 43 for explanation of significant variances

Mutale Municipality
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ending 30 June 2015

1 ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

In the process of applying the Municipal council's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments Municipality as lessee

Leases where risks and rewards of ownership are not transferred to the Municipality are classified as operating leases. Payments received under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease.

Long service bonus Awards benefits

The cost of Long service bonus Awards benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. This was performed per individual-identifiable categories across all debtor classes.

Impairment of property, plant and equipment

The calculation in respect of the impairment of property, plant and equipment is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.

Provisions, contingent liabilities and contingent assets

Management judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities and contingent assets, as set out in notes Provisions are discounted where the effect of discounting is material, using actuarial valuations.

Useful lives of property, plant and equipment

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets is also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

Budget information

Variances between budget and actual amounts are regarded as material differences when a 10% variance exists. All material differences are explained in the notes to the annual financial statements.

PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Municipality has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective.

The Municipality has not adopted any GRAP standard that is not yet effective, but has based its accounting policies on such standards. Effective dates have been given for some of the standards, while for others no effective dates have yet been determined. At the date of submission of these financial statements for the year ended 30 June 2015 the following standards had been issued but were not yet effective: Below are standards that are relevant to Municipality operation but not yet effective.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- ☐ identifying related party relationships and transactions;
- ☐ identifying outstanding balances, including commitments, between an entity and its related parties;
- ☐ identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- ☐ determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- ☐ A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- ☐ An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- ☐ Close member of the family of a person;
- ☐ Management;
- ☐ Related parties;
- ☐ Remuneration; and
- ☐ Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- ☐ Control;
- ☐ Related party transactions; and
- ☐ Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

All the above standards, where applicable, will be complied with in the financial statements once the standards take effect. Preliminary investigations indicated that the impact of the standards on the financial statements will be minimal.

1.2 PROPERTY, PLANT AND EQUIPMENT

INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

INITIAL MEASUREMENT

Items of property, plant and equipment are initially measured at cost at the acquisition date.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

SUBSEQUENT EXPENDITURE

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

DEPRECIATION

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciable amount is determined after taking into account an assets' residual value, where applicable. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

| Infrastructure | Years |
|-------------------------|--------------|
| Electricity | 20 |
| Roads | 15 - 20 |
| Fencing | 14 |
| Other Assets | |
| Plant and equipment | 20 |
| Office Equipment | 17 |
| Furniture and fittings | 17 |
| Motor Vehicles | 10 |
| Other Vehicles | 17 |
| Computer Equipment | 5 |
| Community | |
| Buildings | 30 |
| Recreational Facilities | 30 |
| Bins | 8 |

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

DERECOGNITION

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.3 INTANGIBLE ASSETS

INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential; •the municipality has the ability to measure reliably the expenditure during development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

SUBSEQUENT MEASUREMENT

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in Statement of Financial Performance in the expense category consistent with the function of the intangible asset. During the period of development, the asset is tested for impairment annually.

AMORTISATION

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

| | Years |
|-------------------|-------|
| Computer software | 8 |

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.4 INVESTMENT PROPERTY

INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Investment Property is initially recognised when future economic benefits or service potential are probable and the cost or fair value can be determined reliably.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

SUBSEQUENT MEASUREMENT

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. The assumptions for determining the fair value of the Investment property is set out in note 8 of the Financial Statements.

Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

DERECOGNITION

Investment property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property.

All gains or losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

1.5 INVENTORIES

INITIAL RECOGNITION AND MEASUREMENT

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of determining cost is the weighted-average method.

DERECOGNITION

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Municipality uses weighted average cost when expensing inventories

1.6 FINANCIAL INSTRUMENTS

INITIAL RECOGNITION

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as a financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

INITIAL MEASUREMENT

When a financial instrument is recognised, the entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

INVESTMENTS AT AMORTISED COSTS

Investments, which include [listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks] are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

INVESTMENT AT FAIR VALUE

Investments, which represent investments in residual interest for which fair value can be measured reliably, are subsequently measured at fair value.

Gains and losses in the fair value of such investments are recognised in the Statement of Financial Performance.

INVESTMENT AT COST

Investments at cost, which represent investments in residual interest for which there is no quoted market price and for which fair value cannot be measured reliably, are subsequently measured at cost.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

TRADE AND OTHER PAYABLES AND BORROWINGS

Trade and other payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

IMPAIRMENT OF FINANCIAL ASSETS

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

IMPAIRMENT FOR FINANCIAL ASSETS HELD AT AMORTISED COST

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

IMPAIRMENT OF FINANCIAL ASSETS HELD AT COST

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

DERECOGNITION

A financial asset is derecognised only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset;

• the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

1.7 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.8 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.9 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.10 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating ;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

1.11 BUDGET INFORMATION

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements has been prepared. The comparison of budget and actual amount will be presented using the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process and upon approval the approved budget is made publicly available

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements.

The most recent approved budget by Council is the final budget for the purpose of comparison with the actual amounts.

1.12 LEASES

MUNICIPALITY AS LESSEE

RECOGNITION

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Assets subject to operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

MEASUREMENT

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the assets and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and / or liability is measured as the undiscounted difference between the straight-line lease payments and the contractual lease payments.

DERECOGNITION

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

MUNICIPALITY AS LESSOR

RECOGNITION

For those leases that meet the definition of a finance lease, where the entity is the lessor, the entity derecognises the asset subject to the lease at the inception of the lease. Along with the derecognition of the asset the entity recognises a finance lease receivable. Finance lease income is allocated to between the finance lease receivable and finance income using the effective interest rate method and the resulting finance income is recognised in the Statement of Financial Performance as it accrues.

For those leases classified as operating leases the asset subject to the lease is not derecognised and no lease receivable is recognised at the inception of the lease. Lease payments received under an operating lease are recognised as income, in the Statement of Financial Performance, in the period that the income accrues.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

MEASUREMENT

Finance lease receivables are recognised at an amount equal to the entity's net investment in the lease. This net investment in the lease is calculated as the sum of the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

DERECOGNITION

Finance lease receivables are derecognised when the entity's right to the underlying cash flows expire or when the entity no longer expects economic benefits to flow from the finance lease receivable.

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the entity's right to the underlying cash flows expire or the entity no longer expects economic benefits to flow from the operating lease asset.

1.13 REVENUE

REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

RECOGNITION

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b) The amount of revenue can be measured reliably; and
- c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

MEASUREMENT

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Fines constitute both spot fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue in accordance with IGRAP1. Assessing and recognising impairment is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears based on historic trends.

EXPENDITURE FROM EXCHANGE TRANSACTIONS

Expenditure arising from exchange-transactions is similar to the policy for exchange revenue.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

RECOGNITION

Revenue from non-exchange transaction arises when the entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of related conditions.

MEASUREMENT

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

EXPENDITURE RELATING TO NON-EXCHANGE TRANSACTIONS

Expenditure arising from non-exchange transactions is similar to policy for non-exchange revenue.

1.14 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

1.15 EMPLOYEE BENEFITS

SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits encompasses all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

OTHER LONG-TERM EMPLOYEE BENEFITS

The Entity provides long-term incentives to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. The projected unit credit method has been used to value the obligation. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance.

1.16 IMPAIRMENT OF NON-FINANCIAL ASSETS

RECOGNITION

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset exceeds its recoverable amount (or recoverable service amount in the case of non-cash-generating assets), the asset is considered impaired and is written down to its recoverable amount (or recoverable service amount).

MEASUREMENT

An asset's recoverable amount (or recoverable service amount) is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. This recoverable amount (or recoverable service amount) is determined for individual assets, unless those individual assets are part of a larger cash generating unit, in which case the recoverable amount (or recoverable service amount) is determined for the whole cash generating unit.

An asset is part of a cash generating unit where that asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In determining the recoverable amount (or recoverable service amount) of an asset the entity evaluates the assets to determine whether the assets are cash generating assets or non-cash generating assets.

For cash generating assets the value in use is determined as a function of the discounted future cash flows from the asset. In assessing value-in-use for cash-generating assets, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, other fair value indicators are used.

Where the asset is a non-cash generating asset the value in use is determined through depreciated replacement cost, restoration cost approach or service units approach. The decision to the approach to use is dependent on the nature of the identified impairment.

Impairment losses of continuing operations are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

REVERSAL OF IMPAIRMENT

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

IMPAIRMENT OF SPECIFIC NON-FINANCIAL ASSETS

PROPERTY, PLANT AND EQUIPMENT

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

INTANGIBLE ASSETS

The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Irrespective of whether there is any indication of impairment, the municipality also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

1.17 CAPITAL COMMITMENTS

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure

notes in the following cases:

- where the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.18 EVENTS AFTER REPORTING PERIOD

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The municipality must ensure that all adjusting and non-adjusting events after the reporting period are identified.

Adjusting events after the reporting period

Adjusting events after the reporting period are those events that provide evidence of conditions that existed at the reporting date. A municipality should adjust the amounts recognised in its annual financial statements to reflect adjusting events after the reporting period.

Non-adjusting events after the reporting period

Non-adjusting events after the reporting period are those that are indicative of conditions that arose after the reporting date. A municipality shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period but may need to disclose these events in the notes to the AFS depending on its materiality.

1.19 RELATED PARTY

The Entity regards a related party as a person or an entity with the ability to control individually or jointly, or exercise significant influence over the Entity, or vice versa. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members and section 57 Managers.

1.20 COMPARATIVE INFORMATION

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements.

Mutale Municipality
Notes to The Annual Financial Statements
for the year ended 30 June 2015

| | Note | 2015 R | 2014 R |
|--|------|-------------------|------------------|
| 2 INVENTORIES | | | Restated |
| Land inventory | | 4 301 680 | 7 179 000 |
| Consumable | | 215 273 | 210 765 |
| Closing balance of inventories | | 4 516 953 | 7 389 765 |
| Land inventory is valued at NRV and inventory write down was expensed in the current year. | | | |
| 3 CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents consist of the following: | | | |
| Cash on hand | | 11 507 | 6 515 |
| Cash at bank | | 32 863 208 | 4 275 006 |
| Call deposits | | - | - |
| | | 32 874 715 | 4 281 521 |
| The Municipality has the following bank accounts: - | | | |
| <u>Current Account (Primary Bank Account)</u> | | | |
| FNB Bank - Current Account 54660083097 | | | |
| Cash book balance at beginning of year | | 3 568 104 | 297 047 |
| Cash book balance at end of year | | 32 863 208 | 3 568 104 |
| Bank statement balance at beginning of year | | 4 985 785 | 395 821 |
| Bank statement balance at end of year | | 32 761 110 | 4 985 785 |
| <u>Current Account (Other Account)</u> | | | |
| FNB Bank - Investment Account 62047182556 | | | |
| Cash book balance at beginning of year | | | 4 017 |
| Cash book balance at end of year | | | |
| Bank statement balance at beginning of year | | | 4 017 |
| Bank statement balance at end of year | | | |
| <u>Cash on hand</u> | | 11 507 | 6 515 |
| Total cash and cash equivalents | | 32 874 715 | 4 281 521 |

Mutale Municipality
Notes to The Annual Financial Statements
for the year ended 30 June 2015

| | Note | 2015 R | 2014 R |
|--|------------------|---------------------------------|------------------|
| 4 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS | Gross Balances | Provision for Doubtful Debts | Net Balance |
| <u>Trade receivables</u> | R | | |
| as at 30 June 2015 | | | |
| Service debtors | | | |
| Refuse | 3 838 187 | (3 680 508) | 157 679 |
| Total | 3 838 187 | (3 680 508) | 157 679 |
| Total Trade and other receivables | 3 838 187 | (3 680 508) | 157 679 |
| as at 30 June 2014 | | | |
| Service debtors | | | |
| Refuse | 2 434 546 | (1 596 261) | 838 285 |
| Total | 2 434 546 | (1 596 261) | 838 285 |
| Total Trade and other receivables | 2 434 546 | (1 596 261) | 838 285 |
| <u>Aging Refuse and Sundry Debtors</u> | | | |
| Current | | 192 479 | 85 102 |
| 30 Days | | 176 229 | 49 706 |
| 60 Days | | 160 937 | 49 664 |
| 90 Days | | 154 918 | 52 909 |
| 120 Days | | 153 030 | 49 629 |
| 150 Days | | 1 443 317 | 47 231 |
| 180 Days | | 1 557 277 | 2 100 304 |
| Total | | 3 838 187 | 2 434 546 |
| <u>Reconciliation of the doubtful debt provision</u> | | | |
| Balance at beginning of the year | | 1 596 261 | 1 051 512 |
| Contributions to provision | | 2 084 247 | 544 749 |
| Balance at end of year | | 3 680 508 | 1 596 261 |

In determining the recoverability of a receivable, the Municipality considers, the following assumption for calculation of the impairment of debtors has been applied

- Accounts with no payment received in the last 12 months (non active).

Management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

Mutale Municipality
Notes to The Annual Financial Statements
for the year ended 30 June 2015

| | Note | 2015 R | 2014 R |
|---|------|------------------|------------------|
| 5 TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS | | | |
| Trade receivables - Property Rates | | 213 718 | 1 236 045 |
| Traffic fine debtors | | 207 063 | 262 003 |
| Eskom Deposits | | 232 199 | 232 199 |
| Other debtors | | 2 556 250 | 1 128 631 |
| Total | | 3 209 230 | 2 858 877 |

| | Gross Balances R | Provision for Doubtful Debts R | Net Balance R |
|--|---------------------|--------------------------------------|------------------|
| <u>Trade receivables - Property Rates</u> | | | |
| as at 30 June 2015 | | | |
| Property Rates | 3 421 777 | (3 208 059) | 213 718 |
| | 3 421 777 | (3 208 059) | 213 718 |

| | Gross Balances R | Provision for Doubtful Debts R | Net Balance R |
|--------------------|---------------------|--------------------------------------|------------------|
| as at 30 June 2014 | | | |
| Property Rates | 3 321 678 | (2 085 633) | 1 236 045 |
| | 3 321 678 | (2 085 633) | 1 236 045 |

| | | |
|--------------------------------------|------------------|------------------|
| <u>Property Rates: Ageing</u> | | |
| Current | 275 546 | 151 911 |
| 30 Days | 268 971 | 119 965 |
| 60 Days | 252 902 | 139 341 |
| 90 Days | 133 347 | 112 670 |
| 120 Days | 115 634 | 170 951 |
| 150 Days | 245 125 | 838 229 |
| 180 Days | 2 130 252 | 1 788 611 |
| Total | 3 421 777 | 3 321 678 |

| | Gross Balances | Provision for Doubtful Debts | Net Balance |
|----------------------|------------------|---------------------------------|------------------|
| Other debtors | | | |
| as at 30 June 2015 | | | |
| Traffic fine debts | 887 160 | (680 097) | 207 063 |
| Other debtors | 2 556 250 | | 2 556 250 |
| | 3 443 410 | (680 097) | 2 763 313 |

| | Gross Balances | Provision for Doubtful Debts | Net Balance |
|----------------------|------------------|---------------------------------|------------------|
| Other debtors | | | |
| as at 30 June 2014 | | | |
| Traffic fine debts | 803 340 | (541 337) | 262 003 |
| Other debtors | 1 128 631 | - | 1 128 631 |
| | 1 931 971 | (541 337) | 1 390 634 |

Reconciliation of the doubtful debt provision for property rates

| | | |
|--|------------------|------------------|
| Balance at beginning of the year | 2 626 970 | 4 113 323 |
| Contributions to provision | 1 541 926 | 3 391 822 |
| Doubtful debts written off against provision | (280 741) | (4 878 175) |
| Reversal of provision | - | - |
| Balance at end of year | 3 888 155 | 2 626 970 |

In determining the recoverability of a receivable, the Municipality considers, the following assumption for calculation of the impairment of debtors has been applied

- Accounts with no payment received in the last 12 months (non active).

Management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

MUTALE LOCAL MUNICIPALITY

**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
AS AT 30 JUNE 2015**

| | Cost / Revaluation | | | | | Accumulated Depreciation | | | | | | Transfers | Other movements | Carrying Value |
|-----------------------------|--------------------|-------------------|-----------|--------------------|-------------------------------|--------------------------|-------------------|------------------|----------------|---|-----------------|-------------------|-----------------|--------------------|
| | Opening Balance | Additions | Disposals | Under Construction | Transfer to completed project | Closing Balance | Opening Balance | Depreciation | Disposals | Impairment loss/Reversal of impairment loss | Closing Balance | | | |
| Land and Buildings | 13 943 442 | - | - | - | - | 13 943 442 | 4 635 796 | 246 983 | - | - | - | 4 882 779 | - | 9 060 663 |
| Building | 10 553 442 | - | - | - | - | 10 553 442 | 4 635 796 | 246 983 | - | - | - | 4 882 779 | - | 5 670 663 |
| Land | 3 390 000 | - | - | - | - | 3 390 000 | - | - | - | - | - | - | - | 3 390 000 |
| Infrastructure | 89 339 559 | 16 831 482 | - | 17 514 867 | (13 926 174) | 109 759 734 | 26 760 966 | 2 842 858 | - | - | - | 29 603 824 | - | 80 155 910 |
| Electricity | 2 552 721 | - | - | - | - | 2 552 721 | 622 584 | 127 636 | - | - | - | 750 220 | - | 1 802 501 |
| Roads/Culverts | 73 561 949 | 13 926 174 | - | - | - | 87 488 123 | 26 138 382 | 2 715 222 | - | - | - | 28 853 604 | - | 58 634 519 |
| WIP | 13 224 889 | 2 905 308 | - | 17 514 867 | (13 926 174) | 19 718 890 | - | - | - | - | - | - | - | 19 718 890 |
| Community Assets | 3 160 529 | - | - | - | - | 3 160 529 | 2 326 749 | 96 820 | - | - | - | 2 423 570 | - | 736 959 |
| Sport Facilities | 1 769 540 | - | - | - | - | 1 769 540 | 1 769 539 | - | - | - | - | 1 769 540 | - | (0) |
| Fencing | 1 390 989 | - | - | - | - | 1 390 989 | 557 210 | 96 820 | - | - | - | 654 030 | - | 736 959 |
| | | | | | | | | | | | | - | - | - |
| | | | | | | | | | | | | - | - | - |
| Other Assets | 17 612 411 | 1 252 298 | - | - | - | 18 864 709 | 6 508 895 | 828 535 | (3 796) | - | - | 7 337 430 | - | 11 527 279 |
| Plant and Equipment | 7 321 771 | 28 133 | - | - | - | 7 349 904 | 656 974 | 368 489 | - | - | - | 1 025 463 | - | 6 324 441 |
| Furniture & fittings | 1 100 886 | - | - | - | - | 1 100 886 | 616 830 | 53 172 | - | - | - | 670 002 | - | 430 883 |
| Bins and Containers | 24 501 | - | - | - | - | 24 501 | 24 501 | - | (3 796) | - | - | 24 501 | - | (0) |
| Motor vehicle | 3 413 353 | - | - | - | - | 3 413 353 | 1 695 025 | 139 781 | - | - | - | 1 834 807 | - | 1 578 547 |
| Office equipments | 1 961 081 | 8 650 | - | - | - | 1 969 731 | 1 076 340 | 101 889 | - | - | - | 1 178 229 | - | 791 502 |
| Computer Equipment | 1 209 610 | 43 812 | - | - | - | 1 253 422 | 1 099 159 | 41 456 | - | - | - | 1 140 615 | - | 112 807 |
| Trucks | 2 294 960 | 1 171 703 | - | - | - | 3 466 663 | 1 227 622 | 62 028 | - | - | - | 1 289 650 | - | 2 177 014 |
| Lease assets | 286 249 | - | - | - | - | 286 249 | 112 445 | 61 718 | - | - | - | 174 163 | - | 112 085 |
| Investment Assets | 2 000 000 | - | - | - | - | 2 000 000 | - | - | - | - | - | - | - | - |
| Municipal building-Tshandam | 2 000 000 | - | - | - | - | 2 000 000 | - | - | - | - | - | - | - | 2 000 000 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | 124 055 941 | 18 083 780 | - | 17 514 867 | (13 926 174) | 145 728 414 | 40 232 406 | 4 015 196 | (3 796) | - | - | 44 247 602 | - | 101 480 811 |

The assessment of useful lives, residual values and impairment of assets was performed at year end
No assets have been pledged as security

The Municipality is required to measure the residual value of all items of property, plant and equipment. Management has determined that none of its infrastructural assets have any active market value, and the value of the amount at the end of their lives would therefore be nil or insignificant. During the current financial year, the Municipality reviewed the estimated useful lives and residual values of property, plant and equipment, where appropriate.

MUTALE LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
AS AT 30 JUNE 2014

| | Cost / Revaluation | | | | | Accumulated Depreciation | | | | | | | |
|----------------------|--------------------|------------|-----------|--------------------|-------------------------------|--------------------------|-----------------|--------------|-----------|---------|---|-----------------|----------------|
| | Opening Balance | Additions | Disposals | Under Construction | Transfer to completed project | Closing Balance | Opening Balance | Depreciation | Disposals | | Impairment loss/Reversal of impairment loss | Closing Balance | Carrying value |
| Land and Buildings | 13 943 442 | - | - | - | | 13 943 442 | 4 388 813 | 246 983 | - | | - | 4 635 796 | 9 307 647 |
| Building | 10 553 442 | - | - | - | | 10 553 442 | 4 388 813 | 246 983 | - | - | - | 4 635 796 | 5 917 647 |
| Land | 3 390 000 | | - | | | 3 390 000 | - | - | - | - | - | - | 3 390 000 |
| Infrastructure | 64 564 616 | 42 208 497 | | 9 069 930 | (26 928 554) | 89 339 559 | 25 050 217 | 1 710 749 | | | | 26 760 966 | 62 578 593 |
| Electricity | 2 552 721 | | | | | 2 552 721 | 494 948 | 127 636 | - | - | - | 622 584 | 1 930 137 |
| Roads/Culverts | 46 208 325 | 26 928 554 | | | | 73 561 949 | 24 555 269 | 1 583 113 | - | - | - | 26 138 382 | 47 423 567 |
| WIP | 15 803 570 | 15 279 943 | | 9 069 930 | (26 928 554) | 13 224 889 | | - | - | - | - | - | 13 224 889 |
| Community Assets | 3 160 529 | - | - | - | - | 3 160 529 | 2 227 393 | 99 356 | - | - | - | 2 326 749 | 833 779 |
| Sport Facilities | 1 769 540 | - | - | - | - | 1 769 540 | 1 769 539 | - | - | - | - | 1 769 539 | 1 |
| Fencing | 1 390 989 | | - | - | - | 1 390 989 | 457 854 | 99 356 | - | - | - | 557 210 | 833 779 |
| | | | | | | | | | | | | | - |
| Other Assets | 10 542 899 | 7 569 609 | (493 900) | - | - | 17 612 411 | 5 857 657 | 951 929 | (301 033) | 107 593 | | 6 508 895 | 11 103 516 |
| Plant and Equipment | 1 570 459 | 5 751 312 | - | - | - | 7 321 771 | 367 592 | 289 382 | - | - | - | 656 974 | 6 664 797 |
| Furniture & fittings | 969 607 | 131 278 | | - | - | 1 100 886 | 552 417 | 60 740 | - | 3 673 | - | 616 830 | 484 056 |
| Bins and Containers | 24 501 | | - | | - | 24 501 | 21 438 | 3 063 | - | - | - | 24 501 | (0) |
| Motor vehicle | 3 309 361 | 597 890 | (493 900) | | - | 3 413 353 | 1 801 097 | 184 390 | (290 462) | | - | 1 695 025 | 1 718 328 |
| Office equipments | 1 622 175 | 345 106 | | | - | 1 967 081 | 876 881 | 95 538 | | 103 920 | - | 1 076 340 | 884 741 |
| Computer Equipment | 1 190 389 | 19 221 | | | - | 1 209 610 | 939 975 | 148 613 | (10 571) | | - | 1 099 159 | 110 451 |
| Trucks | 1 745 597 | 549 363 | | | - | 2 294 960 | 1 227 622 | 128 393 | | - | - | 1 227 622 | 1 067 339 |
| Lease assets | 110 810 | 175 439 | | - | - | 286 249 | 70 635 | 41 810 | - | - | - | 112 445 | 173 803 |
| Investment Property | 2 000 000 | | - | - | - | 2 000 000 | - | - | - | - | - | - | 2 000 000 |
| Building | 2 000 000 | - | - | - | - | 2 000 000 | - | - | - | - | - | - | 2 000 000 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | 94 211 486 | 49 778 106 | (493 900) | | | 124 055 941 | 37 524 079 | 3 009 017 | (301 033) | 107 593 | - | 40 232 406 | 83 823 535 |

The assessment of useful lives, residual values and impairment of assets was performed at year end
No assets have been pledged as security

70 635

The Municipality is required to measure the residual value of all items of property, plant and equipment. Management has determined that none of its infrastructural assets have any active market value, and the value of the amount at the end of their lives would therefore be nil or insignificant. During the current financial year, the Municipality reviewed the estimated useful lives and residual values of property, plant and equipment, where appropriate.

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

| | Note | 2015 R |
|--|------------------------------------|--------------------|
| 7 INTANGIBLE ASSETS | | |
| Reconciliation of carrying value | Computer Software R | Total R |
| as at 1 July 2014 | 294 097 | 294 097 |
| Cost | 555 824 | 555 824 |
| Correction of error | - | - |
| Change in accounting policy | - | - |
| Accumulated amortisation and impairment losses | 261 727 | 261 727 |
| Acquisitions | 92 296 | 50 967 |
| Amortisation | 72 777 | 72 777 |
| as at 30 June 2015 | 311 760 | 311 760 |
| Cost | 648 120 | 648 120 |
| Accumulated amortisation and impairment losses | 336 359 | 334 504 |
| Reconciliation of carrying value | Computer Software R | Total R |
| as at 1 July 2013 | 363 575 | 363 575 |
| Cost | 555 824 | 555 824 |
| Accumulated amortisation and impairment losses | 192 249 | 192 249 |
| Additions | | |
| Amortisation | 69 478 | 69 478 |
| as at 30 June 2014 | 294 097 | 294 097 |
| Cost | 555 824 | 555 824 |
| Accumulated amortisation and impairment losses | 261 727 | 261 727 |

The assessment of useful lives, residual values and impairment of assets was performed at year end
No assets have been pledged as security

8 INVESTMENT PROPERTY CARRIED FAIR VALUE

| | | |
|---|--------------------------------------|--------------------|
| Reconciliation of carrying value | Investment property R | Total R |
| as at 1 July 2013 | | |
| Cost | 2 000 000 | 2 000 000 |
| Fair value adjustments | - | - |
| as at 30 June 2014 | | |
| Fair value | 2 000 000 | 2 000 000 |

INVESTMENT PROPERTY CARRIED AT FAIR VALUE

| | | |
|-------------------------------------|--------------------------------------|--------------------|
| Reconciliation of fair value | Investment property R | Total R |
| as at 1 July 2014 | 2 000 000 | 2 000 000 |
| Fair value adjustment | - | - |
| as at 30 June 2015 | 2 000 000 | 2 000 000 |

No assets have been pledged as security

An external, independent valuation entity, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the entity's investment property portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

| | 2015 R | 2014 R |
|--|-------------------|-------------------|
| 9 | | |
| 9.1 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS | | Restated |
| Trade creditors | 9 788 297 | 2 877 901 |
| Payments received in advance | 76 319 | 108 457 |
| Retentions | 3 928 160 | 3 138 465 |
| Staff leave accrual | 3 738 986 | 2 891 285 |
| Accrued bonus | 915 826 | 757 359 |
| Other creditors | 3 759 629 | 8 612 286 |
| Total | 22 207 216 | 18 385 754 |

The fair value of trade and other payables approximates their carrying amounts.

Payables are non-interest-bearing and are normally settled on 30-day terms, except for retentions which are settled in terms of the contract agreement.

Payments received in advance are non-interest-bearing and normally settled on 30-day terms.

Management policies are in place to ensure that all payables are paid within a reasonable timeframe.

9.2 TRADE AND OTHER PAYABLES FROM NON EXCHANGE TRANSACTIONS

| | | |
|----------------------------------|---|---|
| Vhembe funds received in advance | - | - |
|----------------------------------|---|---|

10 CONSUMER DEPOSITS

| | | |
|--------------------------------|----------------|----------------|
| Rental deposits | 230 333 | 229 258 |
| Total consumer deposits | 230 333 | 229 258 |

Deposits are released when the owner/occupant/tenant of a property terminates the contract with the Municipality to rental to the property, or when certain contractual services are delivered.

11 VAT RECEIVABLE

| | | |
|-----------------------|----------------|------------------|
| Gross vat receivables | 16 534 639 | 14 652 055 |
| Impairment | (15 682 541) | (10 465 305) |
| Balance | 852 098 | 4 186 750 |

The Mutale is registered for VAT on an invoice basis. The VAT receivables was impaired as a result of an impairment against debtors.

12 NON-CURRENT PROVISIONS

| | | | |
|---|----------------|------------------|------------------|
| Provision for rehabilitation of landfill site | 68 083 | 3 016 585 | 2 948 502 |
| Provision for long-service awards | 200 000 | 2 033 000 | 1 833 000 |
| Total Non-Current Provisions | 268 083 | 5 049 585 | 4 781 502 |

Environmental rehabilitation

Provision is made in terms of the Municipality's licensing stipulations on the waste landfill sites, for the estimated cost of rehabilitating waste sites. The valuation of waste landfill sites has been conducted internally, based on the detailed report of the actuarial valuation conducted in the current year by external consultants.

Provision for long-service awards

An actuarial valuation has been performed of the Municipality's liability for long-service leave benefits relating to vested leave benefits, to which employees may become entitled upon completion of 10 service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

An external, independent actuary, having appropriate recognised professional qualifications and recent experience in this field was engaged to do valuation of are summarised below:

| | | |
|-------------------------------|---------|---------|
| Discount rate | 8.24% | 8.40% |
| CPI | 5.98% | 6.23% |
| Salary increase at rate 6.90% | 6.98% | 7.23% |
| Net discount rate | 1.18% | 1.09% |
| Mortality SA85-90 SA85-90 | SA85-90 | SA85-90 |
| Normal retirement age | 63 | 63 |

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

| | 2015 R | 2014 R |
|---|-------------|------------------|
| 13 UNSPENT CONDITIONAL GRANTS AND RECEIPTS | | |
| National Lottery Grant | - | 3 188 046 |
| Municipal Infrastructure Grant | | |
| Disaster Grant | | |
| EPWP Grant | | |
| Total Unspent Conditional Grants and Receipts | - | 3 188 046 |
| Non-current unspent conditional grants and receipts | - | - |
| Current portion of unspent conditional grants and receipts | - | - |
| Disaster Grant funds are invested in ring-fenced investment until utilised. | | |
| Financial Management Grant (FMG) | | |
| Balance unspent at beginning of year | - | - |
| Current year receipts | 1 800 000 | 1 650 000 |
| Conditions met - transferred to revenue | (1 800 000) | (1 650 000) |
| Conditions still to be met - remain liabilities | - | - |

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. The conditions of the grant were met. No funds have been withheld.

Municipal Infrastructure Grant (MIG)

| | | |
|--|--------------|------------------|
| Balance unspent at beginning of year | 3 188 046 | - |
| Current year receipts | 24 058 000 | 18 783 000 |
| Conditions met - transferred to revenue | (27 246 046) | (15 594 954) |
| Funds withheld | - | - |
| Conditions still to be met - remain liabilities | 0 | 3 188 046 |

This grant was used to construct municipal infrastructure to provide basic services for the benefit of communities. The conditions of the grant were met. No funds have been withheld.

Municipal Systems Improvement Grant (MSIG)

| | | |
|--|-----------|-----------|
| Balance unspent at beginning of year | - | - |
| Current year receipts | 934 000 | 890 000 |
| Conditions met - transferred to revenue | (934 000) | (890 000) |
| Conditions still to be met - remain liabilities | - | - |

The grant is used to fund the unbundling of fixed assets, stipend for ward councillors and supplementary valuation roll.

14 BORROWINGS

| | | |
|---|----------------|----------------|
| Long-term loan | 106 126 | 499 640 |
| Non - current borrowings | 106 126 | 499 640 |
| Current portion transferred to current liabilities | | |
| Long-term Loan | 393 514 | 348 889 |
| Total borrowings | 499 640 | 848 529 |

Refer to Appendix A for more detail on borrowings.

15 FINANCE LEASE LIABILITY

| 2015 | Minimum lease payment R | Future finance charges R | Present value of minimum lease payments R |
|--|-------------------------------|--------------------------------|--|
| Amounts payable under finance leases | | | |
| Within one year | 83 988 | (17 051) | 66 937 |
| Within two to five years | 76 989 | (5 642) | 71 347 |
| | 160 977 | (22 694) | 138 283 |
| Less: Amount due for settlement within 12 months (current portion) | | | |

| 2014 | Minimum lease payment R | Future finance charges R | Present value of minimum lease payments R |
|--|-------------------------------|--------------------------------|--|
| Amounts payable under finance leases | | | |
| Within one year | 87 922 | (27 807) | 60 114 |
| Within two to five years | 160 977 | (22 787) | 140 082 |
| | 248 899 | (50 594) | 200 197 |
| Less: Amount due for settlement within 12 months (current portion) | | | |

The lease term is for 3 years escalating at 0% per annum and no arrangement have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

| | 2015 R | 2014 R |
|--|-------------------------|-------------------------|
| 16 PROPERTY RATES | | |
| <u>Actual</u> | | |
| Property rates (Residential, commercial and state) | 2 060 532 | 1 429 046 |
| Other | | |
| Total property rates | <u>2 060 532</u> | <u>1 429 046</u> |
| Less income forgone | (70 608) | (130 485) |
| Total | <u>1 989 923</u> | <u>1 298 561</u> |

Income forgone is income that the Municipality is entitled by law to levy, which has subsequently been forgone by way of rebbate.

| CATEGORIES | Property rate | Total value of land plus improvement |
|------------------------|---------------|---|
| PBO & CRECHES | 0.0005 | 29 985 000 |
| Household | 0.002 | 182 258 000 |
| Business | 0.004 | 77 508 000 |
| Industrial/ Commercial | 0.005 | 2 341 000 |
| State owned | 0.004 | 213 972 000 |

The last general valuation came into effect on 1 July 2012, and is based on market-related values. Supplementary valuations are processed when completed by the Valuations Department annually, to take into account changes to individual property values due to alterations and subdivisions. Rates are levied on a daily basis and are payable monthly. Interest is raised monthly on accounts in arrears.

| | | |
|--|-------------------------|-----------------------|
| 17 SERVICE CHARGES | | |
| Refuse removal (Residential, Commercial and State) | 1 244 693 | 549 247 |
| Less income forgone | (11 388) | (6 300) |
| Total Service Charges | <u>1 233 305</u> | <u>542 947</u> |

Income forgone is income that the Municipality is entitled by law to levy, which has subsequently been forgone by way of rebbate.

| | | |
|--|-----------------------|----------------------|
| 18 RENTAL OF FACILITIES AND EQUIPMENT | | |
| Rental of facilities | 119 592 | 72 525 |
| Total rentals | <u>119 592</u> | <u>72 525</u> |

| | | |
|--|-------------------------|-----------------------|
| 19 INTEREST EARNED - EXTERNAL INVESTMENTS | | |
| Bank | 313 954 | 95 489 |
| Financial assets | 1 051 055 | 885 087 |
| Total interest | <u>1 365 009</u> | <u>980 576</u> |

Due to stringent cash flow position, Municipality invest in call accounts for periods not exceeding two months to earn interest. Investments are done in line with the investment policy.

| | | |
|---|-----------------------|-----------------------|
| 20 INTEREST EARNED - OUTSTANDING RECEIVABLES | | |
| Consumer Debtors | 259 539 | 529 203 |
| Total interest | <u>259 539</u> | <u>529 203</u> |

| | | |
|--|--------------------------|--------------------------|
| 21 GOVERNMENT GRANTS AND SUBSIDIES | | |
| Equitable Share | 64 971 000 | 44 920 000 |
| Expanded Public Works Programme Grant (EPWP) | 1 354 741 | 1 000 000 |
| Financial Management Grant (FMG) | 1 800 000 | 1 650 000 |
| Municipal Infrastructure Grant (MIG) | 27 246 046 | 15 594 954 |
| LGSeta | 24 000 | - |
| Local Economic Grant | - | 24 642 977 |
| Disaster Grant | - | - |
| Total Government Grant and Subsidies | <u>96 329 787</u> | <u>88 697 931</u> |
| Equitable Share | <u>64 971 000</u> | <u>44 920 000</u> |

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of which is funded from the grant.

Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, 2013 of, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

| | 2015 R | 2014 R |
|--|------------------|------------------|
| 22 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS | | |
| Other income | | |
| Commission on Sale of sites | 3 975 523 | 2 663 919 |
| Sale of sites | 53 074 | 545 958 |
| Other Income | 561 195 | 432 154 |
| Total Other Income | 4 589 792 | 3 642 030 |

Commission on sale of sites constitute of proceeds from sale of stand were municipality does not have title deeds. There is an agreement with the tribal authority to sell stands on their behalf and Municipality is entitle to a commission.

23 EMPLOYEE RELATED COSTS

| | | |
|---|-------------------|--------------------|
| Employee related costs - Salaries and Wages | 20 325 659 | 19 568 511 |
| Bonus | 1 662 281 | 1 578 092 |
| Workers' Compensation Assistance | | |
| Housing benefits and allowances | 22 944 | 27 256 |
| Overtime payments | 357 821 | 464 887 |
| Transport Allowances | 2 744 212 | 2 794 424 |
| Long-service awards | 285 160 | 161 099 |
| Performance bonus | 14 937 | 5 524 |
| Leave Gratuity | 972 202 | 1 040 684 |
| Cellphone Allowance | 171 500 | 181 952 |
| Subsistence Allowances | | |
| Reimbursive Travelling Allowance | 538 542 | - |
| Shift and Acting Allowance | 117 152 | 100 600 |
| Other employee related costs | 414 824 | 369 680 |
| Total | 32 611 676 | 31 109 202 |
| Expenditure recharged to Capital Projects(In -House) | | (3 062 179) |
| Total | 32 611 539 | 28 047 023 |

There were no advances to employees

Remuneration of the Municipal Manager : S.S Razwiedani

| | | |
|---|------------------|----------------|
| Annual Remuneration | 598 031 | 473 500 |
| Travel and Related Allowances | 283 546 | 198 937 |
| Backpay | - | - |
| Cellphone Allowances | 21 600 | 18 000 |
| Contributions to UIF, Medical and Pension | 149 923 | 117 621 |
| Total | 1 053 099 | 808 058 |

Remuneration of the Chief Finance Officer : R.M Marutha

| | | |
|---|----------------|----------------|
| Annual Remuneration | 482 272 | 458 379 |
| Travel and Related Allowances | 261 810 | 217 121 |
| Performance and other bonuses | - | - |
| Contributions to UIF, Medical and Pension | 103 573 | 102 909 |
| Leave Grauity | - | - |
| Acting Allowances | - | - |
| Total | 847 656 | 778 409 |

Remuneration of Individual Executive Directors

| | Technical Services R | Corporate Services R |
|--|-------------------------|-------------------------|
| 2015 | | |
| Annual Remuneration | 453 939 | 199 220 |
| Performance- and other bonuses | - | - |
| Travel, motor car, accommodation, subsistence and other allowances | 242 037 | 179 325 |
| Contributions to UIF, Medical and Pension Funds | 101 651 | 45 052 |
| Total | 797 628 | 423 597 |
| 2014 | | |
| Annual Remuneration | 451 277 | 474 553 |
| Performance- and other bonuses | - | - |
| Travel, motor car, accommodation, subsistence and other allowances | 209 593 | 350 308 |
| Contributions to UIF, Medical and Pension Funds | 103 307 | 100 081 |
| Total | 764 177 | 924 942 |

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

| | 2015 R | 2014 R |
|--|------------------|------------------|
| 24 REMUNERATION OF COUNCILLORS | | |
| Mayor | 702 110 | 701 573 |
| Speaker | 631 330 | 543 841 |
| Chief Whip | 553 549 | 497 568 |
| Executive Committee Members | 1 088 371 | 1 086 123 |
| Councillors | 2 900 501 | 2 457 730 |
| Councillors' pension and medical aid contributions | 503 600 | 433 057 |
| Councillors' allowances | 1 590 413 | 1 401 778 |
| Total Councillors' Remuneration | 7 969 874 | 7 121 670 |

Remuneration per councillor

Refer to note 43 for detail of remuneration per councillor.

In-kind Benefits

The Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

25 DEPRECIATION AND AMORTISATION EXPENSE

| | | |
|--|------------------|------------------|
| Property, plant and equipment | 4 095 829 | 2 768 414 |
| Total Depreciation and Amortisation | 4 095 829 | 2 768 414 |

26 FINANCE COSTS

| | | |
|----------------------------|----------------|----------------|
| Borrowings | 110 380 | 139 310 |
| Other interest | | |
| Total Finance Costs | 110 380 | 139 310 |

27 CONTRACTED SERVICES

| | | |
|--------------|------------------|------------------|
| Security | 474 000 | 431 600 |
| Other | | |
| Professional | 1 074 158 | 1 387 671 |
| | 1 548 158 | 1 819 271 |

28 GENERAL EXPENSES

Included in general expenses are the following:-

| | | |
|------------------------------|-------------------|-------------------|
| Advertising | 221 110 | 225 095 |
| Audit fees | 1 613 513 | 1 648 629 |
| Bank charges | 155 497 | 105 489 |
| Bursaries | 50 733 | 5 099 |
| Cleaning | 100 340 | 80 163 |
| Conferences and delegations | 38 060 | 27 809 |
| Entertainment | 2 192 | 7 610 |
| Electricity | 1 349 033 | 1 282 579 |
| Electrical Projects | - | 16 667 |
| Insurance | 400 667 | 299 513 |
| Legal expenses | 665 290 | 208 530 |
| Licence fees - vehicles | 22 496 | 42 456 |
| Postage | 3 858 | 3 148 |
| Printing and stationery | 812 811 | 516 929 |
| Professional fees | 5 000 | 12 649 |
| Rental of computer equipment | 29 357 | 47 951 |
| Other rentals | | |
| Staff welfare | 36 079 | 37 580 |
| Telephone cost | 472 111 | 369 176 |
| Training | 386 422 | 228 084 |
| Travel and subsistence | 489 696 | 305 812 |
| Ward Committees | 727 000 | 919 500 |
| Cost of sale - Land | - | 1 022 392 |
| SALGA | 551 000 | 526 000 |
| Other | 1 122 718 | 1 494 109 |
| Landfill site expenditure | - | 2 948 502 |
| EPWP Expense | 1 258 319 | 893 146 |
| | 10 513 300 | 13 274 615 |

Payment of electricity to ESKOM to subsidise the FBE portion supplied by ESKOM to residence in the municipal area of the Mutale Municipality.

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

| | 2015 R | 2014 R |
|---|-------------------|-------------------|
| 29 LOSS ON DISPOSAL OF ASSETS | | |
| Property, plant and equipment | | 133 544 |
| Loss on disposal | - | 133 544 |
| 30 PROFIT ON FAIR VALUE ADJUSTMENT | | |
| Investment property carried at fair value | - | - |
| Total Profit on Fair Value Adjustment | - | - |
| 31 CASH GENERATED BY OPERATIONS | | |
| Surplus for the year | 39 238 645 | 29 205 788 |
| Adjustment for: | | |
| Depreciation and amortisation | 4 095 829 | 2 768 414 |
| Provision for doubtful debts | 8 843 409 | 14 401 876 |
| Loss on disposal of assets | 0 | 133 544 |
| Inventory loss | 2 798 651 | - |
| Provision for Landfill site | 68 083 | 2 948 502 |
| Provision for long service awards | 200 000 | 110 000 |
| Prior year adjustment | | |
| Operating surplus before working capital changes: | 55 244 617 | 49 568 124 |
| (Increase)/decrease in inventories | 74 161 | 310 521 |
| (Increase)/decrease in trade and other receivables from exchange transactions | (5 178 505) | 125 001 |
| Increase/(decrease) in conditional grants and receipts | (3 188 046) | (21 454 931) |
| Increase/(decrease) in trade payables | 3 821 462 | (12 575 314) |
| Increase/(decrease) in consumer deposits | 1 075 | 15 824 |
| Cash generated by/(utilised in) operations | 50 774 764 | 15 989 224 |
| 32 CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents included in the cash flow statement comprise the following: | | |
| Bank balances and cash | 32 874 715 | 4 281 521 |
| Net cash and cash equivalents (net of bank overdrafts) | 32 874 715 | 4 281 521 |

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

2015
R

2014
R

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

| | 2015 R | 2014 R |
|---|--|-------------------------------|
| UNAUTHORISED, IRREGULAR, FRUITLESS AND | | |
| 33 WASTEFUL EXPENDITURE DISALLOWED | | |
| 33.1 Fruitless and wasteful expenditure | | |
| Reconciliation of fruitless and wasteful expenditure | | |
| Opening balance - | 2 274 683 | 2 135 190 |
| Fruitless and wasteful expenditure incurred in current year | 2 028 363 | 139 493 |
| Condoned or written off by Council | - | - |
| To be recovered – contingent asset | - | - |
| Fruitless and wasteful expenditure awaiting council determination | 4 303 046 | 2 274 683 |
| Incident | Disciplinary steps/criminal proceedings | |
| Late payments of accounts | | |
| Over payment of councillor | | |
| 33.2 Irregular expenditure | | |
| Reconciliation of irregular expenditure | | |
| Opening balance | 30 153 461 | 6 414 131 |
| Fruitless and wasteful expenditure incurred in current year | 179 666 | 23 739 330 |
| Condoned or written off by Council | - | - |
| Transfer to receivables for recovery – not condoned | - | - |
| Irregular expenditure awaiting council determination | 30 333 127 | 30 153 461 |
| Incident | Disciplinary steps/criminal proceedings | |
| Non-adherence to Supply Chain | | |
| Disciplinary hearing | | |
| 34 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT | | |
| Contributions to organised local government | | |
| Opening balance | - | 450 000 |
| Council subscriptions | 500 000 | 500 000 |
| Amount paid - current | - | (950 000) |
| Balance unpaid (included in payables) | 500 000 | - |
| Audit fees | | |
| Opening balance | - | 899 471 |
| Current year audit fee | 2 319 120 | 1 853 838 |
| Amount paid - current year | (2 319 120) | (2 787 594) |
| Amount paid - prior year | - | - |
| Balance unpaid (included in payables) | - | - |
| VAT | | |
| VAT input receivables and VAT output payables are shown in the note. All VAT returns have been submitted. | 852 098 | 4 186 750 |
| PAYE and UIF | | |
| Opening balance | - | 1 249 928 |
| Current year payroll deductions | 3 995 279 | 3 860 488 |
| Amount paid - current year | (3 661 739) | (5 110 416) |
| Amount paid - prior year | - | - |
| Balance unpaid (included in payables) | 333 540 | - |
| Pension and Medical Aid Deductions | | |
| Opening balance | - | 1 646 120 |
| Current year payroll deductions and Council Contributions | 8 826 788 | 7 813 814 |
| Amount paid - current year | (8 111 750) | (9 459 934) |
| Amount paid - prior year | - | - |
| Balance unpaid (included in payables) | 715 039 | - |
| Councillor's arrear consumer accounts | | |
| The following Councillors had arrear accounts outstanding for more than 90 days as at: - | Total | Outstanding less than 90 days |
| | R | R |
| as at 30 June 2015 | | |
| Councillor KA Lukhalimana | 1 714 | 599 |
| Councillor A.S Thambatsira | 4 149 | 1 408 |
| Councillor TS Madume | 1 425 | 290 |
| Total Councillor Arrear Consumer Accounts | 7 288 | 2 297 |
| as at 30 June 2014 | | |
| Councillor KA Lukhalimana | 552 | 441 |
| Councillor AS Thambatsira | 33 | 33 |
| Councillor xx: | - | - |
| Total Councillor Arrear Consumer Accounts | 585 | 474 |

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

2015
R

2014
R

Non-Compliance with Chapter 11 of the Municipal Finance Management Act

In terms of section 36 of the Municipal SCM regulations, any deviation from SCM policy needs to be approved by the Accounting officer and noted by Council. The expenses incurred, as listed below, have been approved by the Accounting officer and noted by Council. Deviations have been approved in principle subject to controls such as unit cost and costs and budget availability.

Incidents

| | | |
|---|----------------|------------------|
| Total amount approved by the Accounting officer and noted by Council | 605 248 | 1 218 187 |
|---|----------------|------------------|

All deviations considered by the Municipal Manager are processed in terms of the SCM regulation and the SCM policy. This process entails being assessed in terms of the stipulated criteria of emergency procurements, availability from only one provider, circumstances where it is impractical or impossible to follow the official procedure, or correction of minor technical breaches.

35 CAPITAL COMMITMENTS

35.1 Commitments in respect of capital expenditure

| | | |
|--|-------------------|-------------------|
| - Approved and contracted for | 27 691 647 | 5 181 976 |
| Infrastructure | 21 535 358 | 5 181 976 |
| Community assets (Sports fields) | 667 000 | |
| Plants and Equipments (Wheel dozer) | 5 489 289 | - |
| - Approved but not yet contracted for | 25 507 887 | 34 267 000 |
| Infrastructure | 25 507 887 | 24 355 000 |
| Other | - | 9 912 000 |
| Total | 53 199 534 | 39 448 976 |

This refers to services that has been contracted in terms of appointment letters and orders issued to service providers but work or service has not been rendered or completed at year end.

This expenditure will be financed from:

| | | |
|---------------------------|-------------------|-------------------|
| - External Loans | | |
| - Government Grants | 74 734 892 | 22 855 000 |
| - Own resources | 6 156 289 | 10 712 000 |
| - District Council Grants | | |
| | 80 891 181 | 33 567 000 |

35.2 OPERATING LEASE COMMITMENTS

The Municipality as lessee

Future minimum lease payments under cancellable operating leases.

Computer hardwares

| | | |
|----------------------------------|---------|---|
| Payable within one year | 316 512 | - |
| Payable within two to five years | 369 264 | - |

Minimum lease payments recognised as an expense during the period amount to R263 760, the lease payments is calculated on a straight line basis over the lease term.

36 EMPLOYEE BENEFITS

| | | |
|--|------------------|------------------|
| Opening accrued liability | 1 833 000 | 1 723 000 |
| Expense (service and interest cost) | 339 000 | 334 000 |
| Expected return on plan assets - - | | |
| Actuarial (gain)/loss | 287 000 | (161 000) |
| Past service cost - | | |
| Effect of curtailment/settlement - - | | |
| Expected benefit payments | (426 000) | (63 000) |
| Prefunding contributions (towards plan assets) - | | |
| Closing accrued liability | 2 033 000 | 1 833 000 |
| Projected accrued liability | | |

An actuarial valuation has been performed of the Municipality's liability for long-service leave benefits relating to vested leave benefits, to which employees may become entitled upon completion of 10 service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

The key assumptions used in the valuation with the prior years assumptions show for comparison are summarised below

| | | |
|-------------------------------|---------|---------|
| Discount rate | 8.24% | 8.40% |
| CPI | 5.98% | 6.23% |
| Salary increase at rate 6.90% | 6.98% | 7.23% |
| Net discount rate | 1.18% | 1.09% |
| Mortality SA85-90 SA85-90 | SA85-90 | SA85-90 |
| Normal retirement age | 63 | 63 |

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

| | 2015 R | 2014 R |
|--|-------------------------|---------------------|
| 37 CONTINGENT LIABILITY | | |
| Contractual disputes | | |
| The Municipality is being sued by Attorney for demanding payment for work that was not agreed. The Attorney is demanding R196 020 from the Municipality, the Attorney claim to have rendered services to the Municipality and charged exorbitant figures whereas nothing has been done. | | |
| 38 RELATED PARTIES | | |
| Members of key management Close family member of key management Associate of close family member of key management Other related party relationships Compensation to councillors and other key management (refer to note 24 & 25) | | |
| Municipality is involved in an Agency relationship with Department of transport and Vhembe District Municipality. Related party transactions are: | | |
| Municipality is collecting traffic fees on behalf of the department and is entitled to commission | | |
| Municipality incurs expenditure and collects cash for the provision of water related service on behalf of the District | | |
| Municipality is deriving economic benefit from using office building that was contracted by District. | | |
| 39 EVENTS AFTER THE REPORTING DATE | | |
| Municipality in order to address the in balance of the past which are relate to workers pay back progression and salary adjustment took a resolution subsequent to year end to pay back pay and adjusted salaries. The cost are deemed significant, thus R2 284 396.10. There is no other event known to the management at the time of preparation that need to be reported after reporting date. | | |
| 40 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS | | |
| The following areas involve a significant degree of estimation uncertainty: | | |
| Useful lives and residual values of property, plant, and equipment Recoverable amounts of property, plant and equipment Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows) Present value of defined benefit obligation Provision for doubtful debts Impairment of assets Provision for long-term service award | | |
| 41 RISK MANAGEMENT | | |
| Financial risk management | | |
| The municipality's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash | | |
| The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise | | |
| Liquidity risk | | |
| Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities | | |
| Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages | | |
| Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. | | |
| At 30 June 2015 | Less than 1 year | Over 5 years |
| Other financial liabilities | 66 937 | 71 347 |
| Payables from exchange transactions | 9 788 297 | 2 877 901 |
| At 30 June 2014 | Less than 1 year | Over 5 years |
| Other financial liabilities | 61 914 | 187 811 |
| Payables from exchange transactions | 15 201 284 | |
| Credit risk | | |
| Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge | | |
| Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major | | |
| Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an | | |
| Financial assets exposed to credit risk at year end were as follows: | | |
| Financial instrument | 2015 | 2014 |
| Other receivables from exchange transactions | 157 679 | 838 285 |
| Other receivables from non-exchange transactions | 3 209 230 | 2 858 877 |
| Cash and cash equivalents | 32 874 715 | 4 281 521 |
| Market risk | | |
| Interest rate risk | | |
| Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market | | |
| Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in | | |
| The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the | | |

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

| | 2015 R | 2014 R |
|---|----------------------------|--|
| 42 RESTATEMENT OF COMPARATIVE INFORMATION (PRIOR YEAR ERRORS) | | |
| 42.1 During the year ended 30 June 2013, the following errors were reported and erroneously corrected : this note disclose the effect The comparative amount has been restated as follows: | | |
| | Amounts | Reasons |
| Creditors - Trade Creditors/Finance | (4 254) | Error due to understatement of creditors |
| Debtors - Property Rates | (120) | Erroneous billing |
| Debtors - Refuse | 1 320 | Erroneous billing |
| Creditors - Trade Creditors/Finance | (706 903) | Prior year SARS declaration, interest and penalties |
| Creditors/Dept of Transp/Comm Services | 3 808 | Error due to understatement of creditors |
| Creditors - Trade Creditors/Finance | 19 498 | Error due to understatement of creditors |
| CG : National Lottery/Corporate Services | 1 227 722 | Reversal of unspent conditional grant |
| Integrated National Electric Programme/Technical | (1 804 322) | Reversal of unspent conditional grant |
| Property, plant and equipment | (29 175 422) | Various PPE errors corrected in the fixed assets register in the prior year but no journal posted to |
| CG : Operations & Maintenance | 6 698 025 | Reversal of unspent conditional grant |
| Net effect on Statement of Financial Position | <u>(23 740 648)</u> | |
| Net effect on Accumulated surplus opening balance, Refer to statement of changes in net assets | <u>(23 740 648)</u> | |

42.2 Management in review and implementation of audit remedial plan for financial year ended 30 June 2014, discovered misstatements, errors and wrong classification, here by presenting changes in performance & position affected by prior year adjustments.

Recognition of rehabilitation of landfill site provision for landfill site, the reason for the correction of error is that the Municipality was of the opinion that no contractual obligation existed in the past, because of the absent of the licence however constructive obligation existed due to damaged caused by using the

below are only those items contained in the statement of financial position and the statement of financial performance that have been affected by the prior-year adjustments.

| 2014 | Note | As previously reported | Correction of errors | Restated |
|---|------|------------------------|---------------------------|------------|
| Statement of financial performance | | | | |
| Income | | | | |
| Service charges | | 542 195 | 752 | 542 947 |
| Interest earned - outstanding receivables | | 529 190 | 13 | 529 203 |
| Property rates | | 2 298 561 | (1 000 000) | 1 298 561 |
| Government grants and subsidies | | 88 697 916 | 15 | 88 697 931 |
| Total | | | <u>(999 219)</u> | |
| Expenditure | | | | |
| Employee related costs | | 28 046 887 | 136 | 28 047 023 |
| Repairs and maintenance | | 1 376 036 | 99 113 | 1 475 149 |
| Contracted services | | 1 729 085 | 90 186 | 1 819 271 |
| General expenses | | 10 292 750 | 2 981 864 | 13 274 615 |
| Loss on disposal of assets | | 408 625 | (275 081) | 133 544 |
| Total | | | <u>2 896 219</u> | |
| Net effect on surplus closing balance, Refer to statement of changes in net assets | | | <u>(3 895 438)</u> | |
| Statement of financial position | | | | |
| Assets | | | | |
| Cash and cash equivalents | | 4 281 522 | (1) | 4 281 521 |
| Trade and other receivables from exchange transactions | | 301 799 | 536 486 | 838 285 |
| Trade and other receivables from non-exchange transactions | | 6 202 359 | (3 343 482) | 2 858 877 |
| VAT receivable | | 4 129 734 | 57 016 | 4 186 750 |
| Property, plant and equipment | | 80 086 633 | 3 736 902 | 83 823 535 |
| Total | | | <u>986 921</u> | |
| Liabilities | | | | |
| Trade and other payables from exchange transactions | | 15 201 284 | 3 184 470 | 18 385 754 |
| Consumer deposits | | 213 434 | 15 824 | 229 258 |
| Current portion of unspent conditional grants and receipts | | 4 415 783 | (1 227 737) | 3 188 046 |
| Current portion of finance lease liability | | 61 914 | (1 800) | 60 114 |
| Non-current borrowings | | 499 751 | (111) | 499 640 |
| Non-current finance lease | | 187 811 | (47 729) | 140 082 |
| Non-current provisions | | 1 833 000 | 2 948 502 | 4 781 502 |
| Total | | | <u>4 871 419</u> | |
| Net effect to accumulated surplus | | | <u>(3 884 498)</u> | |

43 COMPARISON WITH THE BUDGET(BUDGET INFORMATION)

The comparison of the Municipality's actual financial performance with that budgeted is set out in the statement comparison

4.3.1 Explanation of variances between approved and final budget amounts. The reasons for the variances between the

Explanation of variances greater than 10%: final budget and actual amounts

4.3.1.1 Statement of financial performance

i Other own revenue

A higher than anticipated transaction on sale of site contributed largely to the increase in Municipality income.

ii Service charges

The increased is largely caused by reclassification of customers after debtors data cleansing.

iii Investment revenue

The interest earned during the year was higher than anticipated due to the Municipality cash and investment remaining favourable during the year.

iv Debt impairment

The higher impairment cost realised is due to a decrease in debt collection ratio.

v Depreciation & asset impairment

The higher impairment and depreciation cost realised due to aging assets of the Municipality

vi Finance charges

Increase in the number of transactions that attracted bank charges

vii Other expenditure

Enforcement of financial austerity and cost containment measures

Mutale Municipality
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

2015
R

2014
R

44 LANDFILL SITE REHABILITATION AND CLOSURE COSTS

Reconciliation in the statement of financial position

| Net liability in statement of financial position | Year ending 30 June 2015 |
|--|--------------------------|
| Opening obligation | 2 948 502 |
| Balance of change in provision of obligation | - |
| Interest cost | 68 083 |
| Closing obligation | 3 016 585 |

Reconciliation in the statement of financial performance

| Item | Year ending 30 June 2015 |
|---------------------------------|--------------------------|
| Balance of change in obligation | - |
| Interest cost | 68 083 |

The provision relates to the rehabilitation of land fill sites. The provision is made in terms of the licensing stipulations. The provision has been determined on the basis of the recent independent study by qualified engineer. At the current valuation date, 30 June 2015 the duration of liabilities is aligned to the life span of the landfill site which is 4 years. As such a discount rate of 8.63% p.a. has been used. This was derived from the yield curve, without a tax adjustment, obtained from the Bond Exchange of South Africa after the market closed on 30 June 2015.

| Assumptions | 30-Jun-15 | 30-Jun-14 |
|-------------------------------------|-----------|-----------|
| | 8.63% | 9.44% |
| Discount rate (D) | 6.66% | 6.97% |
| Consumer price inflation (C) | 1.85% | 2.31% |
| Net discount rate $((1+D)/(1+H)-1)$ | | |

Mutale Municipality
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For the year ended 30 June 2015

2015
R

2014
R

44.1 Discounting and closure cost

Summary of discounted value of liability and landfill closure cost

| Landfill | NPV 30 June 2014 | NPV 30 June 2015 |
|----------------------|------------------|------------------|
| Mutale landfill site | 2 948 502 | 3 016 586 |
| Present value cost | | 3 016 586 |
| Interest cost | | 68 083 |

| Landfill | NPV 30 June 2014 | NPV 30 June 2015 |
|----------------------|------------------|------------------|
| Mutale landfill site | 2 948 502 | 3 016 586 |
| Present value cost | | 3 016 586 |
| Interest cost | | 68 083 |

Short term and long term discounted liability for landfill closure cost

| Landfill closure | Year ending 30 June 2014 | Year ending 30 June 2015 |
|----------------------|--------------------------|--------------------------|
| Short term liability | 68 083 | 55 716 |
| Long term liability | 2 880 419 | 2 960 869 |

44.2 Disclosure in financial statement

Comparison of the changes in provision

| List of variables that changes resulting in the change to the provision | Year ending 30 June 2015 | Disclosure |
|---|--------------------------|--|
| Effect of discount rate | | Effect to the discount rate, site life and the change in engineering units |
| Decrease in cost to open/ close a borrow pit | | |
| Change in site life | | |
| Reduction in CPA rate | | |
| Interest cost | 68 083 | |
| Total | 68 083 | |

44.3 Unfunded accrued liability

Assets and liabilities associated with landfill closure liability

| Landfill closure | Year ending 30 June 2014 | Year ending 30 June 2015 |
|---------------------------------------|--------------------------|--------------------------|
| Value of obligation | 2 948 502 | 3 016 585 |
| Value of assets | - | - |
| Unfunded accrued of obligation | 2 948 502 | 3 016 585 |

45 CHANGE IN ACCOUNTING ESTIMATE

In the current year, there was a change in accounting estimate, arising from the re-assessment of the useful lives and residual values of the motor vehicles.

| | |
|----------------------------------|---------|
| Depreciation using the old basis | 104 924 |
| Change in accounting estimate | 34 857 |
| Revised depreciation charge | 139 781 |

Effect to the Current year surplus (34 857)

For: June 2015

| | | Prelim | Debit Adjstment |
|--|---|---------------|--------------------|
| | | 42 677 843.59 | |
| 0200/0205/019/Finance | Property Rates | - | |
| 0200/0210/019/Finance | Property Rates - Revenue Forgone | 70 608.12 | |
| 0400/0446/03/Technica | Service Charge - Refuse Removal | - | |
| 0400/0447/03/Technica | Refuse Removal - Income Foregone | 11 387.50 | |
| 0700/0760/05/Communit | Rental - Taxi Rank | - | |
| 0700/0770/03/Technica | Rental - Facilities Revenue | - | |
| 0700/0770/05/Communit | Rental - Facilities Revenue | - | |
| 0800/0810/019/Finance | Interest Received - Bank : Finance | - | |
| 0800/0820/019/Finance | Interest Received -Investments/Finance(Budget and T | - | |
| | | - | |
| 1000/1010/019/Finance | Interest Received - Debtors : Finance | - | |
| 1300/1310/05/Community | Traffic Fines | - | |
| 1400/0760/05/Community | Rental - Taxi Rank | - | |
| 1400/1416/05/Communit | Licensing - Allocate PLN : Community | - | |
| 1400/1421/05/Communit | Licensing - Application: HMV : Community | - | |
| 1400/1422/05/Communit | Licensing- Applications: Instructors :Community | - | |
| | | - | |
| 1400/1424/05/Communit | Licensing - Application:Learners : Community | - | |
| 1400/1426/05/Communit | Licensing - Applications:LMV : Community | - | |
| 1400/1428/05/Communit | Licensing - Applications:PRDP : Community | - | |
| 1400/1430/05/Communit | Licensing - Applications:Special Permit :Community | - | |
| | | - | |
| 1400/1432/05/Communit | Licensing - Applications: TempPermit/Community Sen | - | |
| | | - | |
| 1400/1434/05/Communit | Licensing - Arrears : Community | - | |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 1400/1436/05/Communit | Licensing - Deregistration License :Community | - | |
| | | - | |
| 1400/1438/05/Communit | Licensing - Drivers Lic. Card : Community | - | |
| 1400/1440/05/Communit | Licensing - Duplicate Learners : Community | - | |
| 1400/1442/05/Communit | Licensing - eNatis Charges/CommunityServices(Othe | - | |
| | | - | |
| 1400/1448/05/Communit | Licensing - Issue Drivers : Community | - | |
| 1400/1452/05/Communit | Licensing - Issue Learners : Community | - | |
| 1400/1453/05/Communit | Licencing & Permits- Manual Charges | - | |
| 1400/1454/05/Communit | Licensing - Issue Temp Drivers : Community | - | |
| 1400/1456/05/Communit | Licensing - MV Licensing : Community | - | |
| 1400/1458/05/Communit | Licensing - MV Licensing Penalties :Community | - | |
| | | - | |
| 1400/1460/05/Communit | Licensing - MV Registration : Community | - | |
| 1400/1462/05/Communit | Licensing - Other Licenses : Community | - | |
| 1400/1472/05/Communit | Licensing - Testing/CommunityServices(Other) | - | |
| | | - | |
| 1400/1474/05/Communit | Licensing - Courtesy Letter Fee/CommunityServices(C | - | |
| | | - | |

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| 1400/1476/05/Communit | Licensing - Enforcement OrderFee/Community Servic | - | |
| 1400/1478/05/Communit | Licensing - OutstandingInfringement/Community Serv | - | |
| 1400/1480/05/Communit | Licensing - Registration Penalties : Community | - | |
| 1400/1481/05/Community | Licencing & Permits/Issue MTN/CommunityServices | - | |
| 1400/1482/05/Community | Licencing & Permits/Licence MTN for transportcontrac | - | |
| 1400/1483/05/Community | Licencing & Permits/Confirm MVInfo/Community Serv | - | |
| 1400/1484/05/Community | Licencing & Permits/Duplicate TRNCertificate/Commu | - | |
| 1600/1602/019/Finance | Grant Realised - Equitable Share : Finance | - | |
| 1600/1608/02/Corporat | Grant Realised - LGSETA : Corporate | - | |
| 1600/1616/019/Finance | Grant Realised - MFMG : Finance | - | |
| 1600/1618/019/Finance | Grant Realised - MSIG : Finance | - | |
| 1600/1660/03/Technica | Transfers Recognised Operating/Grants -MIG/Technic | - | |
| 1610/1660/03/Technica | Grant Realised - MIG : Technical | - | |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 1610/1695/03/Technica | Grant Realised - EPWP Incentive : Technical | - | |
| 1610/1697/03/Technica | Grant Realised-Disaster Grant | - | |
| 1700/1710/019/Finance | Admin Income Charges - VAT/Finance(Budgetand Tre | - | |
| 1700/1710/02/Corporat | Other Income - Admin Charges /With VAT | - | |
| 1700/1710/05/Communit | Other Income - Admin Charges/With VAT | - | |
| 1700/1712/019/Finance | Other Income - Admin Charges/No VAT | - | |
| 1700/1720/019/Finance | Advertising/Finance(Budget and TreasuryOffice) | - | |
| 1700/1720/02/Corporat | Other Income - Advertising | - | |
| 1700/1730/05/Communit | Animal Pounding/Community Services | - | |
| 1700/1732/05/Technical | Other Income - Building Plans Application | - | |
| 1700/1736/03/Technical | Other Income - Buildings Approvals | - | |
| 1700/1740/03/Technica | Other Income - Buildings Approv-Identificationof Sites | - | |
| 1700/1742/03/Technica | Other Income - Buildings Approvals -Inspections | - | |
| 1700/1744/03/Technica | Other Income/Buildings Approvals - PlanApprovals | - | |
| 1700/1764/019/Finance | Discount Received/Finance(Budget andTreasury Offic | - | |
| 1700/1765/019/Finance | Commission Income: Sale of Site | - | |
| 1700/1768/019/Finance | Capitilization of Assets/Finance(Budget andTreasury (| - | |
| 1700/1770/05/Communit | Other Income - Other Penalties & Fines | - | |
| 1700/1780/03/Technica | Other Income - Sales of Sites | - | |
| 1700/1782/019/Finance | Cleanest Town Awards/Finance | - | |
| 1700/1790/019/Finance | Other Income - Supplier Registration | - | |
| 1700/1794/01/MM | Other Income - Tourism Fees | - | |
| 1700/1798/02/Corporat | LGSETA/Corporate Services | - | |
| 3000/3010/01/MM | Sal & Wages - Basic : MM | 2 444 213.74 | |
| 3000/3010/019/Finance | Sal & Wages - Basic : Finance | 4 828 002.77 | |
| 3000/3010/02/Corporat | Sal & Wages - Basic : Corporate | 4 852 320.12 | |
| 3000/3010/03/Technica | Sal & Wages - Basic : Technical | 5 397 177.22 | |
| 3000/3010/05/Communit | Sal & Wages - Basic : Community | 2 803 944.78 | |
| 3000/3020/01/MM | Sal & Wages - Bonuses : MM | 189 298.80 | (59 854.11) |
| 3000/3020/019/Finance | Salaries & Wages - Bonuses/Finance(Budgetand Tre | 561 045.73 | (185 481.15) |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 3000/3020/02/Corporat | Sal & Wages - Bonuses : Corporate | 691 709.20 | (213 506.45) |

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| 3000/3020/03/Technica | Salaries & Wages - Bonuses/Technical(TownPlanning | 619 642.89 | (195 124.18) |
| 3000/3020/05/Communit | Sal & Wages - Bonuses : Community | 395 652.60 | (141 102.62) |
| 3000/3040/01/MM | Sal & Wages - Cellular Allowance : MM | 53 000.00 | |
| 3000/3040/019/Finance | Sal & Wages - Cellular Allowance : Finance | 36 900.00 | |
| 3000/3040/02/Corporat | Sal & Wages - Cellular Allowance : Corporate | 31 400.00 | |
| 3000/3040/03/Technica | Sal & Wages - Cellular Allowance : Technical | 37 000.00 | |
| 3000/3040/05/Communit | Sal & Wages - Cellular Allowance : Community | 13 200.00 | |
| 3000/3050/01/MM | Sal & Wages - Housing Allowance : MM | 5 736.00 | |
| 3000/3050/019/Finance | Sal & Wages - Housing Allowance : Finance | 11 472.00 | |
| 3000/3050/02/Corporat | Salaries & Wages - HousingAllowance/Corporate Ser | - | |
| 3000/3050/03/Technica | Salaries & Wages - HousingAllowance/Technical(Tow | - | |
| 3000/3050/05/Communit | Sal & Wages - Housing Allowance :Community | 5 736.00 | |
| 3000/3060/01/MM | Sal & Wages - Overtime : MM | - | |
| 3000/3060/019/Finance | Sal & Wages - Overtime : Finance | 29 674.30 | |
| 3000/3060/02/Corporat | Sal & Wages - Overtime : Corporate | 12 410.75 | |
| 3000/3060/03/Technica | Sal & Wages - Overtime : Technical | 17 983.37 | |
| 3000/3060/05/Communit | Sal & Wages - Overtime : Community | 297 752.93 | |
| 3000/3071/02/Corporat | Salaries & Wages-Night ShiftAllowance/Corporate Se | 62 550.00 | |
| 3000/3073/019/Finance | Salaries & Wages-FixedAllowance/Finance(Budget ar | 17 600.00 | |
| 3000/3073/02/Corporat | Salaries & Wages-Fixed Allowance/CorporateService | 8 800.00 | |
| 3000/3075/02/Corporat | Salaries & Wages-Acting Allowance/CorporateService | 44 038.72 | |
| 3000/3075/05/Communit | Sal & Wages-Acting Allowance/CommunityServices | 10 563.47 | |
| 3000/3076/01/MM | Sal & Wages- Leave Gratuity/MunicipalManager | 86 024.55 | |
| 3000/3076/019/Finance | Sal & Wages- Leave Gratuity/Finance | 191 050.56 | |
| 3000/3076/02/Corporat | Sal & Wages- Leave Gratuity : Corporate | 261 472.46 | |
| 3000/3076/03/Technica | Sal & Wages- Leave Gratuity/Technical | 258 482.82 | |
| 3000/3076/05/Communit | Sal & Wages- Leave Gratuity/CommunityServices | 175 171.92 | |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 3000/3078/02/Corporat | Sal & Wages - Achievement Bonus | 5 898.61 | |
| 3000/3078/05/Communit | Sal & Wages - Achivement Bonus | 9 038.72 | |
| 3000/3085/02/Corporat | Sal & Wages - Long Service Award :Corporate | 285 160.24 | |
| 3000/3090/01/MM | Sal & Wages - Travel Allowance : MM | 682 496.34 | |
| 3000/3090/019/Finance | Sal & Wages - Travel Allowance : Finance | 504 857.23 | |
| 3000/3090/02/Corporat | Sal & Wages - Travel Allowance : Corporate | 625 693.87 | |
| 3000/3090/03/Technica | Sal & Wages - Travel Allowance : Technical | 709 690.43 | |
| 3000/3090/05/Communit | Sal & Wages - Travel Allowance : Community | 221 474.58 | |
| 3000/3091/01/Corporate | Employee Related Costs- Clothing/UniformAllowance/ | 21 499.60 | |
| 3000/3091/05/Community | Employee Related Costs- Clothing/UniformAllowance/ | 85 500.00 | |
| 3000/3093/019/Finance | Employee Related Costs- Wages andSalari/Re-imburs | 122 953.12 | |
| 3000/3093/02/Corporat | Employee Related Costs- Wages andSalari/Re-imburs | 65 090.74 | |
| 3000/3093/03/MM | Employee Related Costs- Wages andSalari/Re-imburs | 169 311.47 | |
| 3000/3093/03/Technica | Employee Related Costs- Wages andSalari/Re-imburs | 129 383.96 | |
| 3000/3093/05/Communit | Employee Related Costs- Wages andSalari/Re-imburs | 51 802.58 | |
| 3100/3120/01/MM | Sal & Wages Contrb - Industrial Council : MM | 766.14 | |
| 3100/3120/019/Finance | Sal & Wages Contrb - Industrial Council :Finance | 1 864.50 | |
| 3100/3120/02/Corporat | Sal & Wages Contrb - Industrial Council :Corporate | 2 922.18 | |
| 3100/3120/03/Technica | Sal & Wages Contrb - Industrial Council :Technical | 3 261.18 | |
| 3100/3120/05/Communit | Sal & Wages Contrb - Industrial Council :Community | 1 484.82 | |
| 3100/3130/01/MM | Sal & Wages Contrb - Medical Aid : MM | 113 544.00 | |
| 3100/3130/019/Finance | Sal & Wages Contrb - Medical Aid : Finance | 106 387.09 | |
| 3100/3130/02/Corporat | Sal & Wages Contrb - Medical Aid : Corporate | 114 667.80 | |
| 3100/3130/03/Technica | Sal & Wages Contrb - Medical Aid : Technical | 53 322.00 | |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 3100/3130/05/Communit | Sal & Wages Contrb - Medical Aid :Community | 192 729.20 | |
| 3100/3140/01/MM | Sal & Wages Contrb - OID : MM | 4 141.09 | |
| 3100/3140/019/Finance | Sal & Wages Contrb - OID : Finance | 9 486.15 | |
| 3100/3140/02/Corporat | Sal & Wages Contrb - OID : Corporate | 10 815.23 | |
| 3100/3140/03/Technica | Sal & Wages Contrb - OID : Technical | 10 714.78 | |
| 3100/3140/05/Communit | Sal & Wages Contrb - OID : Community | 6 384.13 | |

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| 3100/3150/01/MM | Sal & Wages Contrb - Pension Fund : MM | 499 670.12 | |
| 3100/3150/019/Finance | Sal & Wages Contrb - Pension Fund : Finance | 947 156.43 | |
| 3100/3150/02/Corporat | Sal & Wages Contrb - Pension Fund :Corporate | 1 055 188.04 | |
| 3100/3150/03/Technica | Salaries & Wages - PensionFund/Technical(Town Pla | 1 114 560.25 | |
| 3100/3150/05/Communit | Sal & Wages Contrb - Pension Fund :Community | 611 941.50 | |
| 3100/3160/01/MM | Sal & Wages Contrb - SDL Levy : MM | 30 779.51 | |
| 3100/3160/019/Finance | Sal & Wages Contrb - SDL Levy : Finance | 50 610.74 | |
| 3100/3160/02/Corporat | Sal & Wages Contrb - SDL Levy : Corporate | 54 923.54 | |
| 3100/3160/03/Technica | Sal & Wages Contrb - SDL Levy : Technical | 58 234.51 | |
| 3100/3160/05/Communit | Sal & Wages Contrb - SDL Levy : Community | 35 035.53 | |
| 3100/3170/01/MM | Sal & Wages Contrb - U.I.F : MM | 15 920.72 | |
| 3100/3170/019/Finance | Sal & Wages Contrb - U.I.F : Finance | 38 255.36 | |
| 3100/3170/02/Corporat | Sal & Wages Contrb - U.I.F : Corporate | 46 428.03 | |
| 3100/3170/03/Technica | Sal & Wages Contrb - U.I.F : Technical | 48 049.87 | |
| 3100/3170/05/Communit | Sal & Wages Contrb - U.I.F : Community | 26 620.64 | |
| 3400/3075/01/Council | Employee Related Costs - Council/Salaries &Wages-/ | - | |
| 3400/3093/01/Council | Employee Related Costs -Council/Re-imbursive Trave | 371 488.16 | |
| 3400/3410/01/Council | Remun of Councillors - Councillors Allowances: Coun | 4 378 932.46 | |
| 3400/3430/01/Council | Remun of Councillors - Cell Allowance :Council | 636 168.00 | |
| 3400/3450/01/Council | Remun of Councillors - Councillors OID :Council | 4 156.50 | |
| 3400/3460/01/Council | Remun of Councilors - Pension Fund : Council | 821 037.19 | |
| 3400/3470/01/Council | Remun of Councillors - Travel Allowance :Council | 1 716 418.24 | |
| 3400/3480/01/Council | Remun of Councillors - OID : Council | 6 927.50 | |
| 3400/3496/01/Council | Employee Related Costs - Council/SDL | 34 745.50 | |
| 3500/3510/019/Finance | Debt Impairment - Bad Debts : Finance | 3 618 507.24 | 5 224 901.61 |
| 3700/3705/019/Finance | Depreciation/Finance(Budget and TreasuryOffice) | 3 477 057.45 | 557 053.88 |
| 3700/9845/02/Corporate | Depreciation/LeasePhotocopier-Sharp/CorporateServ | | (4 949.00) |
| | | 66 667.00 | |
| 3700/9846 | Depreciation/Lease Printers - Toshiba | - | |
| 3800/3810/019/Finance | Rep & Maint: MV - Auto Cards : Finance | 625 485.34 | (42 054.40) |
| 3800/3810/03/LED | R & M: MV - Auto Cards /Planning &Development(Ecc | - | |
| 3800/3810/03/Technica | R & M: MV - Auto Cards /Technical(TownPlanning) | - | |
| 3800/3820/019/Finance | Rep & Maint: MV - Battery : Finance | 96.49 | |
| 3800/3830/02/Corporat | Rep & Maint: MV - Oil & Fuel : Corporate | 4 616.00 | |
| 3800/3830/03/LED | R & M: MV - Oil & Fuel/Planning &Development(Econ | - | |
| 3800/3830/03/Technica | Rep & Maint: MV - Oil & Fuel : Technical | 1 500.00 | |
| 3800/3840/019/Finance | Rep & Maint: MV - Repairs & Service : Finance | 90 667.89 | |
| 3800/3840/03/Technica | Rep & Maint: MV - Repairs & Service :Technical | 275 677.11 | |
| 3800/3840/05/Communit | Rep & Maint: MV - Repairs & Service :Community | 16 051.37 | 10 884.21 |
| 3800/3850/03/Technica | Rep & Maint: MV - Tyres : Technical | 112 780.51 | |
| 3800/3860/019/Finance | Rep & Maint: Buildings : Finance | 85.00 | |
| 3800/3860/02/Corporate | R&M: Buildings/Corporate Services | 2 101.01 | |
| 3800/3860/03/LED | R&M: Buildings/Planning &Development(Economic D | - | |
| 3800/3860/03/Technica | R&M: Buildings : Technical | 3 505.59 | |
| 3800/3863/019/Finance | Rep & Maint: Office Equipments : Finance | 5 234.83 | |
| 3800/3863/02/Corporat | Rep & Maint: Office Equipments : Corporate | 35 565.65 | |
| 3800/3863/03/Technica | Rep & Maint: Office Equipments : Technical | 880.00 | |
| 3800/3863/05/Communit | Rep & Maint: Office Equipments : Community | 24 005.25 | 8 195.79 |
| 3800/3870/03/LED | R&M: Buildings - Electricity/Planning &Development(E | - | |
| 3800/3870/03/Technica | R&M: Buildings - Electricity : Technical | 6 520.44 | |
| 3800/3880/03/Technica | R&M: Plant & Equipment : Technical | 12 219.29 | (9 999.00) |
| 3800/3895/03/Technica | R&M : Roads and Bridges/Technical | 2 556.80 | |
| 3900/3920/019/Finance | Interest Expense - External Borrowings :Finance | | |
| | | 110 380.15 | |
| 3900/3930/019/Finance | Interest Expense - Other : Finance | 60 757.26 | |
| 4200/4210/05/Communit | Contracted Services - Security : Community | 474 000.00 | |
| 4200/4220/019/Finance | Contracted Services - Professional Fees :Finance | 1 120 029.31 | (45 871.56) |
| 4400/4111/03 | PMU Expenses/Technical | 2 336.84 | |

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| 4400/4401/019/Finance | Commision: Sale Of Site | 547 040.83 | (547 043.83) |
| 4400/4404/01/MM | Advertising : MM | 2 495.96 | |
| 4400/4404/019/Finance | Advertising : Finance | 34 655.28 | |
| 4400/4404/02/Corporat | Advertising : Corporate | 162 779.21 | |
| 4400/4404/03/Technica | Advertising Technical | 21 179.71 | |
| 4400/4406/01/MM | Audit/Accounting Fees : MM | 2 034 315.58 | (420 802.63) |
| 4400/4408/019/Finance | Bank Charges : Finance | 155 497.22 | |
| 4400/4412/01/Council | Budget Speech Expenses : Council | - | |
| 4400/4412/019/Finance | Budget Speech Expenses/Finance(Budget andTreasu | - | |
| 4400/4414/019/Finance | Cashier Shortages/Finance(Budget andTreasury Offic | - | |
| 4400/4415/01/Council | Audit Committe Allowance : Council | 75 565.44 | |
| 4400/4416/05/Communit | Cattle Pounding Costs : Community | - | |
| 4400/4418/019/Finance | Consultancy Fees/Finance(Budget andTreasury Office | 165 000.00 | |
| 4400/4422/019/Finance | Electricity (ESKOM)/Finance(Budget andTreasury Offi | - | |
| 4400/4422/02/Corporat | Electricity (ESKOM) : Corporate | 751 938.78 | |
| 4400/4424/01/Council | Entertainment - Councillors : Council | - | |
| 4400/4425/019/Finance | Licensing : Finance | 2 967.80 | |
| 4400/4426/01/MM | Entertainment : MM | 498.37 | |
| 4400/4427/019/Finance | Impairment Loss/Finance(Budget andTreasury Office) | - | |
| 4400/4428/01/Council | Entertainment - Mayor : Council | 175.73 | |
| 4400/4432/01/Council | Entertianment - Speaker : Council | 1 517.40 | |
| 4400/4434/019/Finance | Free Basic Electricity/Finance(Budget andTreasury Of | - | |
| 4400/4434/03/Technica | Free Basic Electricity : Technical | 597 094.05 | |
| 4400/4438/01/MM | Freight & Postage : MM | 132.51 | |
| 4400/4438/019/Finance | Freight & Postage : Finance | 1 854.85 | |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 4400/4438/02/Corporat | Freight & Postage : Corporate | 1 345.72 | |
| 4400/4438/03/Technica | Freight & Postage : Technical | 220.00 | |
| 4400/4438/05/Communit | Freight & Postage : Community | 305.00 | |
| 4400/4440/01/Council | Indigent Funeral : Council | - | |
| 4400/4442/019/Finance | Insurance Composite : Finance | 362 223.71 | |
| 4400/4442/05/Communit | Insuarance Composite/Community Services | 38 443.03 | |
| 4400/4443/019/Finance | Licensing & Testing/Finance(Budget andTreasury Offi | 25 528.00 | -6 000.00 |
| 4400/4444/019/Finance | Lease - Computer/Finance(Budget andTreasury Office | 231 386.00 | |
| 4400/4446/02/Corporat | Lease - Photocopier : Corporate | 5 866.82 | |
| 4400/4447/01/Council | Special Programmes : Council | 1 999.70 | |
| 4400/4447/01/MM | Special Programmes : MM | 21 672.91 | |
| 4400/4448/02/Corporat | Legal Fees : Corporate | 665 289.62 | |
| 4400/4449/019/Finance | Other Expenditure/Loss on Sale of Asset/Budget and T | - | |
| 4400/4452/01/MM | Printing & Stationery/Municipal Manager | 198 495.90 | |
| 4400/4452/019/Finance | Printing & Stationery : Finance | 434 060.78 | |
| 4400/4452/02/Corporat | Printing & Stationery/Corporate Services(OtherAdmin) | 123 903.88 | |
| 4400/4452/03/Technica | Printing & Stationery/Technical | 26 510.54 | |
| 4400/4452/05/Communit | Printing & Stationery : Community | 29 839.43 | |
| 4400/4454/019/Finance | Professional Fees - Other : Finance | 5 000.00 | |
| 4400/4456/02/Corporat | Protective Clothing : Corporate | - | |
| 4400/4459/03/Technica | Provision for Landfill Site/Technical(TownPlanning) | - | |
| 4400/4460/03/Technica | Roads & Bridges : Technical | 281 893.04 | |
| 4400/4462/01/Council | SALGA : Council | 500 000.00 | |
| 4400/4462/02/Corporat | SALGA/Corporate Services(Other Admin) | 51 000.00 | |
| 4400/4463/02/Corporat | Cell Phones & Data Cards : Corporate | 60 824.23 | |
| 4400/4465/01/Council | Travel Re-Imbursible : Council | - | |
| 4400/4465/02/Corporat | Travel Re-Imbursible : Corporate | 31 973.85 | |
| 4400/4467/019/Finance | Interest Costs/Finance | 68 083.00 | |
| 4400/4468/01/Council | Sitting Allowance - Chiefs : Council | 8 400.00 | |
| 4400/4469/019/Finance | Rental Printers/Finance(Budget and TreasuryOffice) | 29 357.02 | |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 4400/4470/01/Council | Special Transport : Council | 38 000.00 | |

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| 4400/4470/02/Corporat | Special Transport : Corporate | 482.46 | |
| 4400/4471/05/Communit | Rental-Two Way Radios/CommunityServices(Other) | - | |
| 4400/4472/02/Corporat | Staff Bursaries : Corporate | 50 733.00 | |
| 4400/4473/05/Communit | Sports Arts and Culture Programmes :Community | - | |
| 4400/4474/01/Council | Staff Conference Fees : Council | 7 070.16 | |
| 4400/4474/01/MM | Staff Conference Fees : MM | 9 778.95 | |
| 4400/4474/02/Corporat | Staff Conference Fees/CorporateServices(Other Admi | 21 210.54 | |
| 4400/4475/01/Council | Mayoral Imbizo : Council | 128 380.39 | |
| 4400/4476/01/Council | Staff Welfare/Council | 6 692.95 | |
| 4400/4476/01/MM | Staff Welfare : MM | 18 063.60 | |
| 4400/4476/019/Finance | Staff Welfare/Finance | 1 734.80 | |
| 4400/4476/02/Corporat | Staff Welfare/Corporate Services | 524.57 | |
| 4400/4476/03/Technica | Staff Welfare/Technical | 9 062.63 | |
| 4400/4476/05/Communit | Staff Welfare/Community Services | - | |
| 4400/4477/03/Technica | EPWP Expense | 1 258 319.02 | |
| 4400/4478/02/Corporat | Tel Fax & Cellphones : Corporate | 411 286.93 | |
| 4400/4480/01/Council | Training - Councillors : Council | 34 500.00 | |
| 4400/4481/03/Technica | Landfill site/Technical | - | |
| 4400/4482/01/MM | Training - Staff : MM | 13 999.00 | |
| 4400/4482/019/Finance | Training - Staff : Finance | 265 293.86 | 44 578.95 |
| 4400/4482/02/Corporat | Training - Staff : Corporate | 14 025.00 | |
| 4400/4482/03/Technica | Training - Staff : Technical | 14 025.00 | |
| 4400/4484/01/Council | Travel & Accomodation : Council | 93 322.30 | |
| 4400/4484/01/MM | Travel & Accomodation : MM | 79 725.94 | |
| 4400/4484/019/Finance | Travel & Accomodation : Finance | 194 997.95 | |
| 4400/4484/03/Technica | Travel & Accomodation /Technical | 30 255.39 | |
| 4400/4486/02/Corporat | Travel & Accomodation - Staff : Corporate | 44 549.76 | |
| 4400/4486/05/Communit | Travel & Accomodation - Staff : Community | 14 870.93 | |
| 4400/4487/01/MM | Cleaning Materials/Municipal Manager | 207.14 | |
| 4400/4487/019/Finance | Cleaning Materials : Finance | 24.50 | |
| 4400/4487/02/Corporat | Cleaning Materials/Corporate Services | 36 628.21 | |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 4400/4487/03/Technica | Cleaning Materials/Technical | 63 002.64 | |
| 4400/4487/05/Communit | Cleaning Materials/Community Services | 477.45 | |
| 4400/4488/01/Council | Ward Committee Functions : Council | 727 000.00 | |
| 4400/4490/019/Finance | Meter Readers/Finance(Budget and TreasuryOffice) | 1 780.00 | |
| 4400/4492/019/Finance | Inventory Cost Variance/Finance(Budget andTreasury | 2 877 320.40 | (78 669.71) |
| 4400/4498/019/Finance | Valuation Roll : Finance | - | |
| 4400/4499/03/Technica | Professional fees : Technical | 31 117.37 | |
| 4400/7430/03/Technical | Other Expenditure/LandInventory/Technical(Town Plar | - | |
| | | 108 542 534.59 | |
| | | - | |
| | | - | |
| | | - | |
| 7000/7010 | Bank/FNB - 54660083097 (Main Acc) | 32 863 208.49 | - |
| 7000/7050 | Bank/Petty Cash | 11 506.81 | |
| 7000/7060/019/Finance | Undeposited Funds: Cashiers/Finance | 21 563.34 | |
| 7110/7115/019/Finance | Provision for Bad Debts/Finance | - | |
| 7200/7201/019/Finance | Prepaid Expenses/Finance | 768.00 | 379 124.11 |
| 7200/7202/019/Finance | GL Suspense/Finance | 54 160.49 | 1 002 999.96 |
| 7200/7204/019/Finance | Eskom Deposits/Finance | 232 198.57 | |
| 7200/7246/019/Finance | Debtors : Traffic Fines | 887 160.00 | |
| 7210/7220 | Debtors - Property Rates | 2 021 912.59 | |
| 7210/7230 | Debtors - Refuse | 2 267 923.26 | |
| 7210/7238 | Debtors - Interest | 1 512 496.67 | |
| 7260/7261 | Debtors - Sundry | 1 457 672.87 | |
| 7260/7263/019/Finance | Debtors Suspense/Finance | - | |

| | | | |
|--|---|---------------|------------|
| 7400/7410 | Inventory | 136 603.70 | 78 669.71 |
| 7400/7430 | Land | 3 390 000.00 | |
| 7400/7430/03/LED | Inventory/Land Inventory | 4 301 679.60 | |
| 7700/7700/019/Finance | VAT Control/Finance | 6 256 502.10 | 12 579.97 |
| 7700/7710 | VAT Input | 12 647 002.02 | |
| 7700/7720 | VAT Output | - | |
| 8100/8103/03/Technica | INFRASTRUCTURE/Roads/Acc/Ring Road | - | |
| 8100/8103/03/Technica | Roads-Accumulated Depreciation | - | |
| 8100/8103/03/Technica | INFRASTRUCTURE/Roads/Technical/Additions/MIG | 147 460.09 | |
| 8100/8103/03/Technica | Roads - Mangwele | 1 770 252.09 | |
| Sage Evolution (Registered to Mutale Local Municipality) | | - | |
| 8100/8103/03/Technica | Roads - Masisi Streets | 13 334 212.14 | |
| 8100/8103/03/Technica | Roads - Thengwe & Tshandama Streets | 7 337 425.07 | |
| 8100/8103/03/Technica | Roads - Tshidongolwe Road to Vuvha | 6 324 034.93 | |
| 8100/8103/03/Technica | INFRASTRUCTURE/Roads/Technical/Opening Balan | 28 510 277.67 | 425 069.00 |
| 8100/8104/03/Technical/OPE/I | INFRASTRUCTURE/CulvertsIn-House/Technical/MIG | 3 062 180.00 | |
| 8100/8105/03/Technica | INFRASTRUCTURE/Bridges & Culverts/Planning andI | - | |
| 8100/8105/03/Technica | Infrastructure/Bridges & Culvert/Te | 2 996 723.86 | |
| 8100/8105/03/Technica | Infrastructure/Bridges & Culvert/Te | 10 166 769.65 | |
| 8100/8106/03/Technica | INFRASTRUCTURE/Electricity/Technical/Acummulate | - | |
| 8100/8106/03/Technica | INFRASTRUCTURE/Electricity/Technical/Opening Ba | 2 552 721.37 | |
| 8100/8110/03/Technica | INFRASTRUCTURE/Refusesite/Technical/Opening B | 218 083.28 | |
| 8100/8112/03/Technica | Road/WIP/TShilamba Streets Phase 1 | 13 926 173.54 | |
| 8100/8112/03/Technical/WIP/M | Road/WIP/MAsisi Streets Phase 2 | 6 060 568.01 | |
| 8100/8112/03/Technical/WIP/M | Road/WIP/MIG/ Ring Road | 1 469 758.17 | |
| 8100/8112/03/WIP | Road/WIP/Tshilamba Streets Phase 2 | 10 530 952.09 | |
| 8200/8112/03/Technical/WIP | Recreational Facility/WIP/Tshixwadza SportsFacility | 1 657 612.84 | |
| 8200/8219/02/Corporat | COMMUNITY ASSETS/RecreationalFacilities/Corporat | - | |
| 8200/8219/02/Corporat | COMMUNITY ASSETS/RecreationalFacilities/Corporat | 1 769 539.91 | |
| 8200/8222/05/Communit | COMMUNITY ASSETS/Other -Cemetery/Community | - | |
| 8200/8222/05/Communit | COMMUNITY ASSETS/Other -Cemetery/CommunityS | 1 101 439.93 | |
| 8400/8410/019/Finance | Investment Properties/Finance | 2 000 000.00 | |
| 8500/8525/01/Council/ | Other Assets - Motor Vehicles | - | |
| 8500/8525/01/Council/ | Other Assets - Motor vehicles | 646 545.96 | |
| 8500/8525/019/Finance | Other Assets - Motor Vehicles | - | |
| 8500/8525/019/Finance | Other Assets - Computers | 43 811.53 | |
| 8500/8525/03/Technica | Other Assets - Motor Vehicles | 271 996.56 | |
| 8500/8525/03/Technica | Other Assets - Motor Vehicles | 1 969 154.84 | |
| 8500/8525/05/Communit | Other Assets - Motor Vehicles | 525 655.88 | |
| 8500/8526/019/Finance | Other Asset - Prop, Plant & Equip | 14 384.10 | |
| 8500/8526/02/Corporate/OPE | OTHER ASSETS/Plant &Equipment/Corporate Servic | 39 464.91 | |
| 8500/8526/03/Technica | Other Asset - Plant & Machinery | - | |
| 8500/8526/03/Technica | Other Asset - Plant & Machinery | 13 748.75 | |
| 8500/8526/03/Technica | Other Asset - Plant & Machinery | 7 276 306.09 | 6 000.00 |
| 8500/8527/01/Council/ | Other Asset - Office Equipment | 18 000.00 | |
| 8500/8527/01/MM/ADD/E | Other Assets - Office Equipment | 150.00 | |
| 8500/8527/019/Finance | Other Assets - Funiture & Fittings | - | |
| 8500/8527/019/Finance | Other Assets - Office Equipment | - | |
| 8500/8527/019/Finance/ADD/E | Office Equipment : Finance | 22 066.00 | |
| 8500/8527/019/Finance/OPE/E | Accumulated Impairment | - | |
| 8500/8527/02/Corporat | Other Assets - Office Equipment | - | |
| 8500/8527/02/Corporat | Other Assets - Funiture & Fittings | 80 869.74 | |
| 8500/8527/02/Corporat | Other Assets - Funiture & Fittings | 1 020 015.93 | |
| 8500/8527/02/Corporat | Other Asset - Office Equipment | 1 603 424.71 | |
| 8500/8527/03/Technica | Other Assets - Office Equipment | - | |
| 8500/8527/03/Technica | Other Asset - Office Equipment | 295 000.00 | -6 200.00 |
| 8500/8527/03/Technica | Other Asset - Office Equipment | 6 250.00 | |
| 8500/8527/05/Communit | Other Assets - Office Equipment | 24 840.00 | |

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|----------------------------|--|--------------|-------------|
| 8500/8531/03/Technica | Other Assets - Land & Buildings | - | |
| 8500/8531/03/Technica | OTHER ASSETS/Land &Buildings/Technical/Acumm | - | |
| 8500/8531/03/Technica | Land and Buildings | 17 681.01 | |
| 8500/8531/03/Technica | Other Assets - Land & Buildings | 8 981 962.42 | |
| 8500/8531/03/Technica | OTHER ASSETS/Land &Buildings/Technical/Opening | 1 335 715.56 | |
| 8500/8532/019/Finance | Other Assets - Bins | - | |
| 8500/8532/019/Finance | Other Assets - Computers | 1 209 909.31 | -299.00 |
| 8500/8532/03/Technica | Other Asset - Trucks | - | |
| 8500/8532/03/Technica | Other Asset - Trucks | 1 171 703.00 | |
| 8500/8532/03/Technica | Other Asset - Trucks | 2 294 960.15 | |
| 8500/8532/05/Communit | Other Assets - Computer Equipment | - | |
| 8500/8532/05/Communit | Other Assets - Bins | - | |
| 8500/8532/05/Communit | Other Assets - Bins | 24 501.00 | |
| 8500/8533/05/Communit | Other Assets : Fencing Community | - | |
| 8500/8533/05/Communit | Other Assets : Fencing | 289 548.85 | |
| 8500/8535/02/Corporat | OTHER ASSETS/AIRCONDITIONER | 6 200.00 | |
| 8500/9845/02/Corporate/ACC | OTHER ASSETS/LeasePhotocopier-Sharp/Accummu | - | |
| 8500/9845/02/Corporate/OPE | OTHER ASSETS/LeasePhotocopier-Sharp/Corporate | 200 000.00 | (24 561.40) |
| 8500/9846/019/Finance/OPE | OTHER ASSETS/Lease Printers -Toshiba/Opening B | 110 810.00 | |
| 8500/9846/019/MM/ACC | OTHER ASSETS/Lease Printers -Toshiba/Accummula | - | |
| 8900/8910/019/Finance | INTANGIBLES/Computer Softwares/AccDepn/EQ02 C | - | |
| 8900/8910/019/Finance | INTANGIBLES/ComputerSoftwares/Finance/Additions | 50 967.75 | 41 328.00 |
| 8900/8910/019/Finance | INTANGIBLES/ComputerSoftwares/Finance/Opening | 469 288.00 | |
| 8900/8940/019/Finance | Software : Finance | 86 536.00 | |
| 9000/9005 | Creditors - Trade Creditors/Finance | - | |
| 9000/9010/019/Finance | Prov Govt Creditors/Finance | 0.70 | |
| 9000/9015/019/Finance | Creditors/Income Recieved in Adv/Finance | - | |
| 9000/9020/019/Finance | Creditors/Retention Creditors/Finance | - | |
| 9000/9030 | Creditors/Dept of Transp/Comm Services | - | |
| 9000/9035 | Creditors/Prodiba/Community Services | - | |
| 9000/9038/019/Finance | Creditors - Vhembe DistrictMunicipality/Finance | - | |
| 9000/9040 | Accruals - Accruals/Finance | - | |
| 9000/9050 | GL Suspense/Finance | 9 712.13 | |
| 9000/9055 | Suspense/GL Suspense Others/Finance | 21 798.20 | |
| 9000/9056 | Suspense Vhembe District Municipality | 1 019 292.13 | |
| 9000/9075/019/Finance | Creditor: Thengwe Trust/Finance | - | |
| 9000/9080/05/Community | Road Traffic Infringement Agency/CommunityServices | - | |
| 9050/9051 | Consumer Deposits | - | |
| 9050/9053/019/Finance | Unidentified Direct Deposits/Finance | - | |
| 9200/9201/019/Finance | Provision for Leave/Finance | - | |
| 9200/9202/03/Technica | Provision for Landfill Site/Technical | - | |
| 9200/9203/01/MM | Provision for Bonus/MM | - | |
| 9200/9203/019/Finance | Provision for Bonus/Finance | - | |
| 9200/9203/02/Corporat | Provision for Bonus/Corporate Services | - | |
| 9200/9203/03/Technica | Provision for Bonus/Technical | - | |
| 9200/9203/05/Communit | Provision for Bonus/Community Services | - | |
| 9200/9204/01/MM | Salaries Control/MM | - | |
| 9200/9204/019/Finance | Salaries Control/Finance | 7 157.23 | |
| 9200/9207/01/Council | PAYE Control/Council | 2 754.76 | |
| 9200/9208/01/MM | Pension Fund Control/MM | - | |
| 9200/9208/019/Finance | Pension Fund Control/Finance | 40 597.25 | |
| 9200/9210/01/MM | Medical Aid Control/Municipal Manager | - | |
| 9200/9210/02/Corporat | Medical Aid Contro/Corporate Services | - | |
| 9200/9217/019/Finance | Home Loans Control/Finance | - | |
| 9200/9217/03/Technica | Home Loans Control/Technical | - | |
| 9200/9219/02/Corporat | OID Control/Corporate Services | - | |

[illegible]

Trial Balance

le Local Municipality

6 000.00

| ← Credit → | | | | |
|---------------|---------------|---------------|---------------|------------------|
| <u>Final</u> | <u>Prelim</u> | <u>Adjust</u> | <u>Final</u> | <u>PY Debits</u> |
| 39 238 644.75 | 61 498 578.16 | | 61 498 578.16 | 29 273 025.81 |
| - | 2 060 531.51 | | 2 060 531.51 | |
| 70 608.12 | - | | - | 130 485.03 |
| - | 1 244 692.50 | | 1 244 692.50 | |
| 11 387.50 | - | | - | 6 300.00 |
| - | 38 017.54 | | 38 017.54 | |
| - | - | | - | |
| - | 81 574.62 | | 81 574.62 | |
| - | 313 954.18 | | 313 954.18 | |
| | | | 1 051 055.11 | |
| - | 1 051 055.11 | | | |
| - | 259 538.65 | | 259 538.65 | |
| - | 358 400.00 | | 358 400.00 | |
| - | - | | - | |
| - | 2 652.00 | | 2 652.00 | |
| - | 623 592.00 | | 623 592.00 | |
| | | | - | |
| - | - | | | |
| - | 557 772.00 | | 557 772.00 | |
| - | 40 392.00 | | 40 392.00 | |
| - | 72 072.00 | | 72 072.00 | |
| | | | 81.00 | |
| - | 81.00 | | | |
| | | | 288.00 | |
| - | 288.00 | | | |
| - | 20 770.70 | | 20 770.70 | |
| - | - | | - | |
| | | | 11 244.71 | |
| - | 11 244.71 | | | |
| - | 885.00 | | 885.00 | |
| - | 8 733.00 | | 8 733.00 | |
| | | | - | |
| - | - | | | |
| - | 591 485.00 | | 591 485.00 | |
| - | 125 400.00 | | 125 400.00 | |
| - | 52.63 | | 52.63 | |
| - | 88 060.00 | | 88 060.00 | |
| - | 423 784.25 | | 423 784.25 | |
| | | | 36 103.24 | |
| - | 36 103.24 | | | |
| - | 19 878.94 | | 19 878.94 | |
| - | 465.28 | | 465.28 | |
| | | | 44 490.00 | |
| - | 44 490.00 | | | |
| | | | 63.00 | |
| - | 63.00 | | | |

| | | | | | |
|--------------|---------------|------------|--|---------------|--------------|
| | | | | 27.00 | |
| - | 27.00 | | | | |
| | | | | 1 735.50 | |
| - | 1 735.50 | | | | |
| - | 423.90 | | | 423.90 | |
| | | | | 90.00 | |
| - | 90.00 | | | | |
| | | | | 177.00 | |
| - | 177.00 | | | | |
| | | | | 81.00 | |
| - | 81.00 | | | | |
| | | | | 213.00 | |
| - | 213.00 | | | | |
| - | 64 971 000.00 | | | 64 971 000.00 | |
| - | 24 000.00 | | | 24 000.00 | |
| - | 1 800 000.00 | | | 1 800 000.00 | |
| - | 934 000.00 | | | 934 000.00 | |
| | | | | 7 683 422.71 | |
| - | 7 683 422.71 | | | | |
| - | 19 562 623.12 | | | 19 562 623.12 | |
| - | - | | | - | |
| - | 1 354 741.12 | | | 1 354 741.12 | |
| - | - | | | - | |
| | | | | 8 619.17 | |
| - | 8 619.17 | | | | |
| - | 858.33 | | | 858.33 | |
| - | 195 781.35 | | | 195 781.35 | |
| - | 2 747.67 | | | 2 747.67 | |
| | | | | - | |
| - | - | | | | |
| - | 2 163.23 | | | 2 163.23 | |
| - | - | | | - | |
| - | 5 946.42 | | | 5 946.42 | |
| - | - | | | - | |
| - | 6 471.42 | | | 6 471.42 | |
| - | 253.44 | | | 253.44 | |
| - | 34 896.87 | | | 34 896.87 | |
| - | - | | | - | |
| - | 3 519 565.89 | 455 956.96 | | 3 975 522.85 | |
| | | | | - | |
| - | - | | | | |
| - | - | | | - | |
| - | 53 074.01 | | | 53 074.01 | |
| - | 42 000.00 | | | 42 000.00 | |
| - | 19 174.56 | | | 19 174.56 | |
| - | - | | | - | |
| - | 242 282.48 | | | 242 282.48 | |
| 2 444 213.74 | - | | | - | 2 292 113.09 |
| 4 828 002.77 | - | | | - | 4 537 437.13 |
| 4 852 320.12 | - | | | - | 5 159 731.72 |
| 5 397 177.22 | - | | | - | 4 706 744.97 |
| 2 803 944.78 | - | | | - | 2 872 484.39 |
| 129 444.69 | - | | | - | 163 514.34 |
| 375 564.58 | - | | | - | 339 353.28 |
| - | - | | | - | |
| 478 202.75 | - | | | - | 452 096.76 |

| | | | |
|------------|---|---|--------------|
| 424 518.71 | - | - | 382 603.68 |
| 254 549.98 | - | - | 240 524.30 |
| 53 000.00 | - | - | 48 000.00 |
| 36 900.00 | - | - | 30 000.00 |
| 31 400.00 | - | - | 45 752.28 |
| 37 000.00 | - | - | 46 000.00 |
| 13 200.00 | - | - | 12 200.00 |
| 5 736.00 | - | - | 5 736.00 |
| 11 472.00 | - | - | 11 472.00 |
| - | - | - | 2 400.00 |
| - | - | - | 1 912.00 |
| 5 736.00 | - | - | 5 736.00 |
| - | - | - | 20 212.68 |
| 29 674.30 | - | - | 72 421.69 |
| 12 410.75 | - | - | 33 610.47 |
| 17 983.37 | - | - | 5 379.66 |
| 297 752.93 | - | - | 333 262.82 |
| 62 550.00 | - | - | 79 351.52 |
| 17 600.00 | - | - | 12 000.00 |
| 8 800.00 | - | - | 7 200.00 |
| 44 038.72 | - | - | |
| 10 563.47 | - | - | 21 248.01 |
| 86 024.55 | - | - | |
| 191 050.56 | - | - | 1 012 931.35 |
| 261 472.46 | - | - | |
| 258 482.82 | - | - | 4 673.29 |
| 175 171.92 | - | - | 23 079.20 |
| - | - | - | |
| 5 898.61 | - | - | 5 523.56 |
| 9 038.72 | - | - | |
| 285 160.24 | - | - | 161 098.86 |
| 682 496.34 | - | - | 594 682.18 |
| 504 857.23 | - | - | 515 451.79 |
| 625 693.87 | - | - | 821 682.05 |
| 709 690.43 | - | - | 650 329.57 |
| 221 474.58 | - | - | 212 278.20 |
| 21 499.60 | - | - | |
| 85 500.00 | - | - | 76 500.00 |
| 122 953.12 | - | - | |
| 65 090.74 | - | - | 0.00 |
| 169 311.47 | - | - | |
| 129 383.96 | - | - | |
| 51 802.58 | - | - | |
| 766.14 | - | - | 774.70 |
| 1 864.50 | - | - | 1 733.55 |
| 2 922.18 | - | - | 2 998.20 |
| 3 261.18 | - | - | 2 889.25 |
| 1 484.82 | - | - | 1 282.70 |
| 113 544.00 | - | - | 89 995.20 |
| 106 387.09 | - | - | 149 361.00 |
| 114 667.80 | - | - | 95 506.80 |
| 53 322.00 | - | - | 70 410.45 |
| - | - | - | |
| 192 729.20 | - | - | 154 356.76 |
| 4 141.09 | - | - | 6 339.37 |
| 9 486.15 | - | - | 13 481.15 |
| 10 815.23 | - | - | 4 449.60 |
| 10 714.78 | - | - | 14 846.10 |
| 6 384.13 | - | - | 10 280.33 |

| | | | |
|--------------|--------|--------|---------------|
| 499 670.12 | - | - | 474 852.91 |
| 947 156.43 | - | - | 874 594.36 |
| 1 055 188.04 | - | - | 1 120 243.24 |
| 1 114 560.25 | - | - | 1 106 233.39 |
| 611 941.50 | - | - | 507 446.52 |
| 30 779.51 | - | - | 28 475.02 |
| 50 610.74 | - | - | 47 501.28 |
| 54 923.54 | - | - | 58 210.39 |
| 58 234.51 | - | - | 46 756.41 |
| 35 035.53 | - | - | 33 962.02 |
| 15 920.72 | - | - | 16 606.87 |
| 38 255.36 | - | - | 35 714.07 |
| 46 428.03 | - | - | 46 817.42 |
| 48 049.87 | - | - | 46 000.32 |
| 26 620.64 | - | - | 28 354.16 |
| - | 136.54 | 136.54 | 29 350.00 |
| 371 488.16 | - | - | |
| 4 378 932.46 | - | - | 4 172 082.67 |
| 636 168.00 | - | - | 525 474.00 |
| 4 156.50 | - | - | 16 074.68 |
| 821 037.19 | - | - | 727 589.29 |
| 1 716 418.24 | - | - | 1 618 333.27 |
| 6 927.50 | - | - | |
| 34 745.50 | - | - | 32 766.24 |
| 8 843 408.85 | - | - | 14 401 875.73 |
| 4 034 111.33 | - | - | 2 726 603.82 |
| | | - | 4 873.30 |
| 61 718.00 | - | | |
| - | - | - | 36 936.67 |
| 583 430.94 | - | - | 732 660.50 |
| - | - | - | 284.22 |
| - | - | - | 19 621.53 |
| 96.49 | - | - | 6 598.06 |
| 4 616.00 | - | - | 3 279.05 |
| - | - | - | 74.00 |
| 1 500.00 | - | - | 26 300.26 |
| 90 667.89 | - | - | 25 038.92 |
| 275 677.11 | - | - | 159 720.38 |
| 26 935.58 | - | - | 14 528.44 |
| 112 780.51 | - | - | 73 436.07 |
| 85.00 | - | - | |
| 2 101.01 | - | - | |
| - | - | - | 186.70 |
| 3 505.59 | - | - | 93 592.07 |
| 5 234.83 | - | - | 43 807.89 |
| 35 565.65 | - | - | 3 251.70 |
| 880.00 | - | - | 240.00 |
| 32 201.04 | - | - | 18 558.92 |
| - | - | - | 118.00 |
| 6 520.44 | - | - | 80 668.08 |
| 2 220.29 | - | - | 124 386.07 |
| 2 556.80 | - | - | 48 798.26 |
| | | - | 139 310.28 |
| 110 380.15 | - | | |
| 60 757.26 | - | - | 90 479.30 |
| 474 000.00 | - | - | 431 600.00 |
| 1 074 157.75 | - | - | 1 387 671.39 |
| 2 336.84 | - | - | 2 700.00 |

| | | | |
|--------------|---|---|--------------|
| -3.00 | - | - | 399 587.80 |
| 2 495.96 | - | - | 1 411.18 |
| 34 655.28 | - | - | 182 863.95 |
| 162 779.21 | - | - | 40 819.83 |
| 21 179.71 | - | - | |
| 1 613 512.95 | - | - | 1 648 629.06 |
| 155 497.22 | - | - | 105 488.63 |
| - | - | - | 26 578.00 |
| - | - | - | 14 965.23 |
| - | - | - | |
| - | - | - | |
| 75 565.44 | - | - | 119 471.72 |
| - | - | - | 3 121.12 |
| 165 000.00 | - | - | |
| - | - | - | 16 666.67 |
| 751 938.78 | - | - | 665 874.48 |
| - | - | - | 699.40 |
| 2 967.80 | - | - | 36 455.50 |
| 498.37 | - | - | 4 406.74 |
| - | - | - | 118 163.53 |
| 175.73 | - | - | 1 190.84 |
| 1 517.40 | - | - | 1 313.07 |
| - | - | - | 24 315.80 |
| 597 094.05 | - | - | 616 704.15 |
| 132.51 | - | - | 301.33 |
| 1 854.85 | - | - | 1 703.41 |
| - | - | - | |
| 1 345.72 | - | - | 1 143.56 |
| 220.00 | - | - | |
| 305.00 | - | - | |
| - | - | - | 96.30 |
| 362 223.71 | - | - | 299 512.69 |
| 38 443.03 | - | - | |
| 19 528.00 | - | - | 6 000.00 |
| 231 386.00 | - | - | 94 265.29 |
| 5 866.82 | - | - | 27 728.78 |
| 1 999.70 | - | - | |
| 21 672.91 | - | - | 19 770.00 |
| 665 289.62 | - | - | 208 529.72 |
| - | - | - | 133 544.46 |
| 198 495.90 | - | - | 14 108.41 |
| 434 060.78 | - | - | 331 491.59 |
| 123 903.88 | - | - | 99 952.88 |
| 26 510.54 | - | - | 29 610.37 |
| 29 839.43 | - | - | 41 765.74 |
| 5 000.00 | - | - | 12 648.67 |
| - | - | - | 172 596.17 |
| - | - | - | 199.95 |
| 281 893.04 | - | - | |
| 500 000.00 | - | - | 526 000.00 |
| 51 000.00 | - | - | |
| 60 824.23 | - | - | 100 497.46 |
| - | - | - | 1 341.12 |
| 31 973.85 | - | - | 13 409.95 |
| 68 083.00 | - | - | |
| 8 400.00 | - | - | 24 416.00 |
| 29 357.02 | - | - | 47 950.92 |
| - | - | - | |
| 38 000.00 | - | - | 33 000.00 |

| | | | | |
|-----------------------|-----------------------|--------------|-----------------------|-----------------------|
| 482.46 | - | - | - | 8 159.65 |
| - | - | - | - | 5 098.61 |
| 50 733.00 | - | - | - | 20 733.40 |
| - | - | - | - | 26 066.67 |
| 7 070.16 | - | - | - | 1 742.60 |
| 9 778.95 | - | - | - | 25 200.00 |
| 21 210.54 | - | - | - | 193.60 |
| 128 380.39 | - | - | - | 19 825.10 |
| 6 692.95 | - | - | - | 2 042.38 |
| 18 063.60 | - | - | - | 11 653.72 |
| 1 734.80 | - | - | - | 3 365.00 |
| 524.57 | - | - | - | 500.00 |
| 9 062.63 | - | - | - | 893 146.28 |
| - | - | - | - | 369 176.38 |
| 1 258 319.02 | - | - | - | 2 948 502.00 |
| 411 286.93 | - | - | - | 183 313.00 |
| 34 500.00 | - | - | - | 44 770.88 |
| - | - | - | - | - |
| 13 999.00 | - | - | - | 114 528.25 |
| 309 872.81 | - | - | - | 40 875.43 |
| 14 025.00 | - | - | - | 121 411.23 |
| 14 025.00 | - | - | - | 18 858.77 |
| 93 322.30 | - | - | - | 9 042.23 |
| 79 725.94 | - | - | - | 1 096.49 |
| 194 997.95 | - | - | - | 1 013.46 |
| 30 255.39 | - | - | - | 4 170.46 |
| 44 549.76 | - | - | - | 55 569.96 |
| 14 870.93 | - | - | - | - |
| 207.14 | - | - | - | 18 021.12 |
| 24.50 | - | - | - | 1 387.83 |
| 36 628.21 | - | - | - | 919 500.00 |
| - | - | - | - | 2 112.00 |
| 63 002.64 | - | - | - | - |
| 477.45 | - | - | - | 151 200.00 |
| 727 000.00 | - | - | - | - |
| 1 780.00 | - | - | - | 1 022 391.86 |
| 2 798 650.69 | - | - | - | - |
| - | - | - | - | - |
| 31 117.37 | - | - | - | - |
| - | - | - | - | - |
| 108 998 491.55 | 108 542 534.59 | | 108 998 491.55 | 101 652 862.81 |
| - | 61 498 578.16 | -67 237.70 | 61 431 340.46 | |
| | - | | | |
| | - | | | |
| | - | | | |
| - | 39 238 644.75 | | 39 238 644.75 | |
| 32 863 208.49 | - | | - | 4 275 005.69 |
| 11 506.81 | - | | - | 6 515.30 |
| 21 563.34 | - | | - | 21 563.34 |
| - | 18 026 302.41 | 5 224 901.61 | 23 251 204.02 | |
| 379 892.11 | - | | - | 768.00 |
| 1 057 160.45 | - | | - | 54 160.49 |
| 232 198.57 | - | | - | 232 198.57 |
| 887 160.00 | - | | - | 803 340.00 |
| 2 021 912.59 | - | | - | 1 722 904.63 |
| 2 267 923.26 | - | | - | 1 262 762.79 |
| 1 512 496.67 | - | | - | 1 298 299.61 |
| 1 457 672.87 | - | | - | 1 472 256.87 |
| - | 4 447.09 | | 4 447.09 | |

| | | | | |
|---------------|---------------|--------------|---------------|---------------|
| 215 273.41 | - | - | - | 210 765.48 |
| 3 390 000.00 | - | - | - | 3 390 000.00 |
| 4 301 679.60 | - | - | - | 7 179 000.00 |
| 6 269 082.07 | - | - | - | 7 742 723.56 |
| 12 647 002.02 | - | - | - | 8 244 903.94 |
| - | 2 381 445.03 | - | 2 381 445.03 | - |
| - | - | - | - | - |
| - | 27 669 699.64 | 1 071 934.00 | 28 741 633.64 | - |
| 147 460.09 | - | - | - | 147 460.09 |
| 1 770 252.09 | - | - | - | 1 770 252.09 |
| - | - | - | - | - |
| 13 334 212.14 | - | - | - | 13 334 212.14 |
| 7 337 425.07 | - | - | - | 7 337 425.07 |
| 6 324 034.93 | - | - | - | 6 324 034.93 |
| 28 935 346.67 | - | - | - | 28 935 346.67 |
| 3 062 180.00 | - | - | - | 3 062 180.00 |
| - | 111 970.00 | - | 111 970.00 | - |
| 2 996 723.86 | 512 456.00 | - | 512 456.00 | 2 996 723.86 |
| 10 166 769.65 | - | - | - | 10 166 769.65 |
| - | 749 846.36 | 374.00 | 750 220.36 | - |
| 2 552 721.37 | - | - | - | 2 552 721.37 |
| 218 083.28 | - | - | - | 218 083.28 |
| 13 926 173.54 | - | - | - | 11 020 865.36 |
| 6 060 568.01 | - | - | - | 1 547 793.42 |
| 1 469 758.17 | - | - | - | 656 230.62 |
| 10 530 952.09 | - | - | - | - |
| 1 657 612.84 | - | - | - | - |
| - | 1 799 860.99 | -30 321.00 | 1 769 539.99 | - |
| 1 769 539.91 | - | - | - | 1 769 539.91 |
| - | 295 028.55 | - | 295 028.55 | - |
| 1 101 439.93 | - | - | - | 1 101 439.93 |
| 2 000 000.00 | - | - | - | 2 000 000.00 |
| - | 863 512.14 | - | 863 512.14 | - |
| 646 545.96 | - | - | - | 646 545.96 |
| - | 1 046 445.53 | -75 151.00 | 971 294.53 | - |
| 43 811.53 | - | - | - | - |
| 271 996.56 | - | - | - | 271 996.56 |
| 1 969 154.84 | - | - | - | 1 969 154.84 |
| 525 655.88 | - | - | - | 525 655.88 |
| 14 384.10 | - | - | - | - |
| 39 464.91 | - | - | - | 39 464.91 |
| - | 1 021 861.67 | 3 601.00 | 1 025 462.67 | - |
| 13 748.75 | - | - | - | - |
| 7 282 306.09 | - | - | - | 7 282 306.09 |
| 18 000.00 | - | - | - | 18 000.00 |
| 150.00 | - | - | - | 150.00 |
| - | 668 156.67 | 1 846.00 | 670 002.67 | - |
| - | - | - | - | 000 000.00 |
| 22 066.00 | - | - | - | 13 416.00 |
| - | - | - | - | - |
| - | 1 076 814.03 | -2 506.00 | 1 074 308.03 | - |
| 80 869.74 | - | - | - | 80 869.74 |
| 1 020 015.93 | - | - | - | 1 020 015.93 |
| 1 603 424.71 | - | - | - | 1 603 424.71 |
| - | 103 920.76 | - | 103 920.76 | - |
| 288 800.00 | - | - | - | 288 800.00 |
| 6 250.00 | - | - | - | 6 250.00 |
| 24 840.00 | - | - | - | 24 840.00 |

| | | | | |
|--------------|--------------|-------------|--------------|--------------|
| - | 3 182 255.57 | | 3 182 255.57 | |
| - | 1 780 149.97 | -79 627.00 | 1 700 522.97 | |
| 17 681.01 | - | | - | 17 681.01 |
| 8 981 962.42 | - | | - | 8 981 962.42 |
| 1 335 715.56 | - | | - | 1 335 715.56 |
| - | 3 062.63 | | 3 062.63 | |
| 1 209 610.31 | - | | - | 1 209 610.31 |
| - | 1 313 200.89 | -23 551.00 | 1 289 649.89 | |
| 1 171 703.00 | - | | - | |
| 2 294 960.15 | - | | - | 2 294 960.15 |
| - | 1 139 769.16 | 846.00 | 1 140 615.16 | |
| - | 21 438.38 | | 21 438.38 | |
| 24 501.00 | - | | - | 24 501.00 |
| - | 361 538.01 | -2 537.00 | 359 001.01 | |
| 289 548.85 | - | | - | 289 548.85 |
| 6 200.00 | - | | - | 6 200.00 |
| - | 72 222.56 | -5 631.26 | 66 591.30 | |
| 175 438.60 | - | | - | 175 438.60 |
| 110 810.00 | - | | - | 110 810.00 |
| - | 110 810.01 | -3 238.00 | 107 572.01 | |
| - | 334 503.59 | 1 855.88 | 336 359.47 | |
| 92 295.75 | - | | - | |
| 469 288.00 | - | | - | 469 288.00 |
| 86 536.00 | - | | - | 86 536.00 |
| - | 9 766 975.28 | 21 322.00 | 9 788 297.28 | |
| 0.70 | - | | - | 0.70 |
| - | 76 318.87 | | 76 318.87 | |
| - | 3 928 159.92 | | 3 928 159.92 | |
| - | 631 816.88 | | 631 816.88 | |
| - | 46 424.96 | | 46 424.96 | |
| - | 1 324 294.81 | | 1 324 294.81 | |
| - | 1 631 173.36 | | 1 631 173.36 | |
| 9 712.13 | - | | - | 9 712.13 |
| 21 798.20 | - | | - | 21 798.20 |
| 1 019 292.13 | - | | - | 1 019 292.13 |
| - | 95 458.55 | | 95 458.55 | |
| - | 3 802.40 | | 3 802.40 | |
| - | 214 510.85 | | 214 510.85 | |
| - | 15 821.92 | | 15 821.92 | |
| - | 3 738 985.66 | | 3 738 985.66 | |
| - | 3 016 585.00 | | 3 016 585.00 | |
| - | 128 738.45 | -59 854.11 | 68 884.34 | |
| - | 362 520.63 | -185 481.15 | 177 039.48 | |
| - | 499 057.38 | -213 506.45 | 285 550.93 | |
| - | 457 660.68 | -195 124.18 | 262 536.50 | |
| - | 262 916.87 | -141 102.62 | 121 814.25 | |
| - | 8 746.17 | | 8 746.17 | |
| 7 157.23 | - | | - | |
| 2 754.76 | - | | - | 2 754.76 |
| - | 15 402.32 | | 15 402.32 | |
| 40 597.25 | - | | - | 0.00 |
| - | 967.20 | | 967.20 | |
| - | 1 350.00 | | 1 350.00 | |
| - | 192.24 | | 192.24 | 0.00 |
| - | 0.02 | | 0.02 | |
| - | - | | - | |

| | | | | |
|-----------------------|----------------------|---------------------|----------------------|-----------------------|
| - | 2 033 000.00 | | 2 033 000.00 | |
| - | - | | - | |
| - | 6 698 025.22 | -6 698 025.22 | - | |
| - | - | | - | 2 258.88 |
| - | 138 283.40 | | 138 283.40 | |
| - | - | | - | |
| - | 499 640.23 | | 499 640.23 | |
| - | 5 729 517.41 | 6 810 123.22 | 12 539 640.63 | |
| - | 4 068 606.60 | | 4 068 606.60 | |
| 769.07 | - | | - | 769.07 |
| - | - | | - | |
| 216 136 803.02 | 210 782 893.8 | 5 809 866.97 | 216 136 803.8 | 162 707 975.05 |

-0.83

0.83

-0.83

PY Credits Report Category**Acc Link**

32 225 552.35

1 429 046.17

549 247.22

1 100.00

71 008.62

95 489.16

885 086.86

529 203.30

422 660.00

416.44

3 744.00

381 456.00

996.00

515 796.00

40 824.00

59 598.00

1 701.00

19 009.48

8/30/2015 5:16:01 PM

12 432.28

1 430.00

8 520.00

78.42

403 260.00

105 564.00

134.73

76 075.00

404 952.51

30 792.02

14 813.67

821.09

117 435.00

10.80

9.00

348.75

424.43

44 920 000.00

1 650 000.00

890 000.00

15 594 954.17

8/30/2015 5:16:01 PM

1 000 000.00

24 642 977.20

193 269.20

9 277.43

432 153.91

131.58

654.24

31 666.67

4 014.68

14 686.49

9 880.34

720.00

14 237.88

12 500.00

2 663 918.67

3 062 179.00

235.44

545 957.76

15 000.00

29 845.76

96 034.20

8/30/2015 5:16:01 PM

8/30/2015 5:16:01 PM

8/30/2015 5:16:01 PM

0.45

1 349 032.83

8/30/2015 5:16:01 PM

8/30/2015 5:16:01 PM

8/30/2015 5:16:01 PM

101 585 625.11
32 225 552.35

29 205 788.11 (309.55)

14 688 536.14

4 447.09

| | | | | | |
|----------------------|--------------------------|----------------------|----------------------|----------|--------------|
| | Fencing | | | Movement | |
| | Cost | 1 390 988.78 | 1 390 988.78 | € | - |
| | Accumulated depreciation | 654 029.56 | 557 210.21 | | |
| 1 335 572.97 | | <u>736 959.22</u> | <u>833 778.57</u> | | |
| - | | | | | |
| 26 026 411.64 | Road & Curvets | | | | |
| | Cost | 87 488 122.04 | 73 561 948.50 | € | 425 069.00 |
| | Accumulated Depn | 28 853 603.64 | 26 138 381.64 | € | - |
| 8/30/2015 5:16:01 PM | | <u>58 634 518.40</u> | <u>47 423 566.86</u> | € | -0.92 |
| | | | | | |
| | | | | € | 2 715 222.00 |

| | | | | | |
|------------|--------------------|----------------------|----------------------|--|--|
| | WIP Account | | | | |
| 111 970.00 | Cost | 19 718 891.11 | 13 224 889.40 | | |
| 512 456.00 | Accumulated Depn | - | - | | |
| | | <u>19 718 891.11</u> | <u>13 224 889.40</u> | | |
| 622 584.30 | Electricity Assets | | | | |
| | Cost | 2 552 721.37 | 2 552 721.37 | | |
| | Accumulated | 750 220.36 | 622 584.30 | | |
| | | <u>1 802 501.01</u> | <u>1 930 137.07</u> | | |

| | | | | | |
|--------------|--------------------|---------------------|---------------------|---|------------|
| | community assets | cost | € 1 769 539.91 | | |
| 1 769 538.99 | | accumulated | € 1 769 539.99 | € | -0.08 |
| | Computer equipment | | | | |
| 295 028.55 | Cost | 1 253 421.84 | 1 209 610.31 | | |
| | Accumulated depre | 1 140 615.16 | 1 099 158.94 | € | - |
| | Carrying Amount | <u>112 806.68</u> | <u>110 451.37</u> | € | 220 901.73 |
| 849 364.98 | | 113650 | | | |
| | Motor vehicles | -843 | | | |
| 845 660.16 | Cost | 3 413 353.24 | 3 413 353.24 | | |
| | Accumulated | 1 834 806.67 | 1 695 025.14 | | |
| | Carrying Amount | <u>1 578 546.57</u> | <u>1 718 328.10</u> | | |
| | | 1503393 | | | |
| | | -75154 | | | |

| | | | | | |
|------------|-------------------|---------------------|---------------------|---|---------------|
| 656 973.58 | Plant & Equipment | | | | |
| | Cost | 7 349 903.85 | 7 321 771.00 | € | - |
| | Acc | 1 025 462.67 | 656 973.58 | | |
| | Carrying Amount | <u>6 324 441.18</u> | <u>6 664 797.42</u> | € | 13 329 594.92 |
| 616 829.95 | | 6322043 | | | |
| | | 2398 | | € | 6 326 839.36 |

| | | | | | |
|------------|----------------------|-------------------|-------------------|--|--|
| 000 000.00 | | | | | |
| 972 418.92 | | | | | |
| | Furniture & Fittings | | | | |
| | Cost | 1 100 885.67 | 1 100 885.67 | | |
| | Acc depreciation | 670 002.67 | 616 829.95 | | |
| 103 920.76 | | <u>430 883.00</u> | <u>484 055.72</u> | | |
| | | 432729 | | | |

1 846

Office Equipment

| | | | |
|--------------|--------------------------|---------------|---------------|
| 2 855 645.57 | Cost | 1 969 730.71 | 1 961 080.71 |
| 1 780 149.97 | Acc dpreciation | 1 178 228.79 | 1 076 339.68 |
| | Carrying Amount | 791 501.92 | 884 741.03 |
| | | 788 998.00 | |
| | | 2 503.92 | |
| | Buildings - Cost | 10 553 442.27 | 10 553 442.27 |
| | Accumulated depreciation | 4 882 778.54 | 4 635 795.54 |
| 3 062.63 | | 5 670 663.73 | 5 917 646.73 |
| | Trucks | | |
| 1 227 621.52 | Cost | 3 466 663.15 | 2 294 960.15 |
| | Acc dep | 1 289 649.89 | 1 227 621.52 |
| | | 2 177 013.26 | 1 067 338.63 |
| 1 099 158.94 | | 2153835 | |
| 21 438.38 | Bins & Containers | 23178 | |
| | Cost | 24 501.00 | 24 501.00 |
| 262 181.66 | Acc depreciation | 24 501.01 | 24 501.01 |
| | | -0.01 | -0.01 |
| 4 873.30 | | | |
| | Leased Assets | | |
| | Cost | 286 248.60 | 286 248.60 |
| 107 572.01 | Acc depreciation | 174 163.31 | 112 445.31 |
| 261 726.59 | Carrying amount | 112 085.29 | 173 803.29 |
| | Intangible Assets | 131016 | € -18 930.71 |
| | Cost | 648120 | 555824 |
| | Accumulated depreciation | 336359 | 261727 |
| 2 877 901.20 | | 311760 | 294097 |
| | | | |
| 108 456.95 | | 272 287 | |
| 3 138 465.25 | | | |
| 4 081 583.36 | | 39473 | |
| 145 350.00 | | | |
| 1 285 085.96 | | 41328 | € -1 854.72 |
| 2 976 599.35 | | | |

102 787.36
 18 560.95
 213 433.73
 15 821.92
 2 891 285.23
 2 948 502.00
 85 788.37
 134 381.83
 224 235.19
 210 769.66
 102 184.08

0.00

967.20
 1 350.00

0.02
 2.00

1 833 000.00
3 188 045.83
0 000 000.00

195 612.89
4 584.39
848 528.86
12 539 599.82
4 068 606.60

€ -40.81

8/30/2015 5:16:01 PM

162 707 975.06

8/30/2015 5:16:01 PM

€ 1 125 472.00

-0.01

€ 1.00

Adjustments Journals

| No | Comaf | Exception | Description |
|----|----------|--------------|--|
| | | | |
| 1 | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| 2 | Comaf 10 | Exception 48 | Capitalisation of expenditure incorrectly expensed |
| | | | |
| | | | |
| | | | |
| 3 | Comaf 10 | Exception 53 | Service paid before delivery |
| | | | |
| 4 | Comaf 10 | Exception 44 | Provision for traffic |
| | | | |
| | | | |
| 6 | Comaf 12 | Exception 51 | Inventory list understated |
| | | | |
| | | | |
| 8 | Comaf 12 | Exception 49 | Excessive VAT input claimed on invoices |
| | | | |
| 10 | Comaf 12 | Exception 60 | Vat impairment(The balance as SARS statement is R839 518.48 |
| | | | |
| 12 | Comaf 13 | Exception 89 | Understatement of creditors due to cut off |
| | | | |
| | | | |

| | | | |
|----|----------|--------------|-----------------------------------|
| 13 | Comaf 14 | Exception 82 | Pre paid expenditure |
| | | | |
| 14 | Comaf 14 | Exception 92 | Reversal of incorrect journal |
| | | | |
| 15 | Comaf 14 | Exception 85 | revenue from sale of site, 85% |
| | | | |
| | | | |
| 17 | Comaf 15 | | Provision for bonus |

PPE Cost - Equipment

| |
|---|
| 4 |
| |

| Accounts | Vote | Debit | Credit |
|---|------------------------|--------------|--------------|
| | | | |
| Creditors - Trade Creditors/Finance | 9000/9006 | 706 902.00 | |
| Bank/FNB - 54660083097 (Main Acc) | 7000/7010 | | 706 902.00 |
| | | | |
| Creditors - Trade Creditors/Finance | 9000/9005 | 67 919.96 | |
| Contracted Services - Professional Fees | 4200/4220/019/Finance | | 4 543.56 |
| Rep & Maint: MV - Auto Cards : Finance | 3800/3810/019/Finance | | 63 376.40 |
| | | | |
| | | | |
| Intangible Asset | 8900/8910/019/finance | 41 328.00 | |
| Contracted Services - Professional Fees | 4200/4220/019/finance | | 41 328.00 |
| | | | |
| Depreciation/Finance | 3700/3705/019/Finance | 1 855.88 | |
| INTANGIBLES/Computer Softwares/Acc | 8900/8910/019/Finance | | 1 855.88 |
| | | | |
| Pre paid expenditure(Receivable) | 7200/7201/019/Finance | 9 999.00 | |
| R&M: Plant & Equipment : Technical | 3800/3880/03/Technical | | 9 999.00 |
| | | | |
| Bad debts | 3500/3510/019/Finance | 7 666.00 | |
| Provision for doubtful debts | 7110/7115/019/Finance | | 7 666.00 |
| | | | |
| | | | |
| Inventory | 7400/7410 | 78 669.71 | |
| Inventory Cost Variance/Finance(Budget and | 4400/4492/019/Finance | | 78 669.71 |
| | | | |
| | | | |
| Rep & Maint: MV - Repairs & Service : Community | 3800/3840/05/Communit | 10 884.21 | |
| Rep & Maint: Office Equipments : Community | 3800/3863/05/Communit | 8 195.79 | |
| Training - Staff : Finance | 4400/4482/019/Finance | 44 578.95 | |
| Vat control account | 7700/7700/019/Finance | | 63 658.95 |
| | | | |
| Bad debts | 3500/3510/019/Finance | 5 217 235.61 | |
| Provision for doubtful debts | 7110/7115/019/Finance | | 5 217 235.61 |
| | | | |
| Rep & Maint: MV - Auto Cards : Finance | 3800/3810/019/Finance | 21 322.00 | |
| Creditors - Trade Creditors/Finance | 9000/9005 | | 21 322.00 |
| | | | |
| Prepaid expenditure (Receivables) | 7200/7201/019/Finance | 369 125.11 | |
| | | | |

| | | | |
|---|-----------------------|--------------|--------------|
| Vat control account | 7700/7700/019/Finance | 51 677.52 | |
| Audit fees | 4400/4406/01/MM | | 420 802.63 |
| | | | |
| Commission Income: Sale of Site | 1700/1765/019/Finance | 547 043.00 | |
| Commision: Sale Of Site | 4400/4401/019/Finance | | 547 043.83 |
| | | | |
| GL Suspense/Finance | 7200/7202/019/Finance | 1 002 999.96 | |
| Commission Income: Sale of Site | 1700/1765/019/Finance | | 1 002 999.96 |
| | | | |
| Provision for Bonus/MM | 9200/9203/01/MM | 59 854.11 | |
| Provision for Bonus/Finance | 9200/9203/019/Finance | 185 481.15 | |
| Provision for Bonus/Corporate Services | 9200/9203/02/Corporat | 213 506.45 | |
| Provision for Bonus/Technical | 9200/9203/03/Technica | 195 124.18 | |
| Provision for Bonus/Community Services | 9200/9203/05/Communit | 141 102.62 | |
| Sal & Wages - Bonuses : MM | 3000/3020/01/MM | | 59 854.11 |
| Salaries & Wages - Bonuses/Finance(finance) | | | |
| | 3000/3020/019/Finance | | 185 481.15 |
| Sal & Wages - Bonuses : Corporate | 3000/3020/02/Corporat | | 213 506.45 |
| Salaries & Wages - Bonuses/Technical | | | |
| | 3000/3020/03/Technica | | 195 124.18 |
| Sal & Wages - Bonuses : Community | 3000/3020/05/Communit | | 141 102.62 |

| | | | |
|---|----------------------------|------------|------------|
| Accumulated Depreciation - Building | 8100/8531/03/Technical/Acc | 79 627.00 | |
| Depreciation | 9950/9951 | | 79 627.00 |
| Being overstatement of depreciation - Current year 2015. | | | |
| | | | |
| Depreciation - Electricity | 9950/9951 | 374.00 | |
| Accumulated Depreciation - Electricity | 8100/8106/03/Technical/Acc | | 374.00 |
| Being understatement of depreciation - 2015 | | | |
| | | | |
| Depreciation - Roads & Culverts | 3700/3705/019/Finance | 761 851.00 | |
| Accumulated Depreciation | 8100/8103/03/Technical | | 761 851.00 |
| Being understatement of depreciation - 2015 | | | |
| | | | |
| Accumulated Depreciation - Sport | 8200/8219/02/Corp | 30 321.00 | |
| Depreciation | 9950/9951 | | 30 321.00 |
| Understatement of Depreciation | | | |
| | | | |
| Accumulated Depreciation | 8500/8533/05/Community/Ac | 2 537.00 | |
| Depreciation - Fencing | 9950/99510 | | 2 537.00 |
| Understatement of Depreciation | | | |
| | | | |

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|---|---|----------|----------|
| | | | |
| Licensing & Testing/Finance(Budget andTreasury Office) | 4400/4443/019/Finance | | 6 000.00 |
| Other Asset - Plant & Machinery | 8500/8526/03/Technical/OP E/(Plant & Equioment) | 6 000.00 | |
| Adjustment of Assets as a result of prior period error | | | |
| | | | |

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|---|--------------------------|-----------|-----------|
| Depreciation - Plant & Equipment | 3700/3705/019/Finance | 3 601.00 | |
| Accumulated Depreciation | 8500/8526/03/Technical/ | | 3 601.00 |
| Being understatement of depreciation in 2015 | | | |
| | | | |
| Depreciation - Furniture and Fittings | 3700/3705/019/Finance | 1 846.00 | |
| Accumulated Depreciation | 8500/8527/019/Finance/ | | 1 846.00 |
| Being understatement of depreciation in 2015 | | | |
| | | | |
| Accumulated Depreciation - Motor Vehicles | 3700/3705/019/Finance | 75 151.00 | |
| Depreciation | 8500/8525/01/Council/ACC | | 75 151.00 |
| Being overstatement of depreciation | | | |
| | | | |
| Accumulated Depreciation - Office equipment | 3700/3705/019/Finance | 2 506.00 | |
| Depreciation | 8500/8527/02/Corporate/ | | 2 506.00 |
| Being Overstatement of depreciation | | | |
| | | | |
| Depreciation - Computer Equipment | 3700/3705/019/Finance | 846.00 | |
| Accumulated Depreciation | 8500/8532/05/Community | | 846.00 |
| Being understatement of depreciation | | | |
| | | | |
| Accumulated Depreciation - Trucks | 3700/3705/019/Finance | 23 178.00 | |
| Depreciation | 8500/8532/03/Technical/ | | 23 178.00 |
| Being understatement of depreciation. | | | |

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|---|----------------------------|----------|----------|
| OTHER ASSETS/LeaseAccummulated Depreciation | 8500/9845/02/Corporate/ACC | 4 949.00 | |
| Depreciation/Lease | 3700/9845/02/Corporate | | 4 949.00 |

5 224 901.61

455 956.13

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JOURNAL ENTRIES FOR 2015

| No | DESCRIPTION |
|----|--|
| 1 | Bank/FNB - 54660083097 (Main Acc) Creditors - Trade Creditors/Finance |
| 2 | Contracted Services - Professional Fees Rep & Maint: MV - Auto Cards : Finance Creditors - Trade Creditors/Finance |
| 3 | VAT control account OTHER ASSETS/Lease Photocopier-Sharp |
| 4 | OTHER ASSETS/LeaseAccummulated Depreciation Depreciation/Lease |
| 4 | CG : Operations & Maintenance Accumulated Profit - Prior Year Adjust/Finance |
| 5 | Accumulated Surplus Accumulated Depreciation - Roads and Culverts Being correction of prior year Accumulated depreciati |
| 6 | Roads and Culverts - PPE Accumulated Surplus Being corection of prior period error in 2015 |
| 7 | Accumulated Surplus Office Equipment Being correction of prior period error - Adjustments of assets 2014 (Cost) |
| 8 | Accumulated Surplus Computer Equipment Being correction of prior period error - Adjustment of Assets 2014 (Cost) |
| 9 | Accumulated depreciation Accumulated Surplus Being adjustment of depreciation for 2014 (Toshiba leas |
| 10 | Accumulated Depreciation - Trucks Accumulated Surplus Being adjustment of depreciation for 2014 (Truks) |

| VOTE NUMBER | DR |
|--|--------------|
| | |
| 7000/7010 | 706 902.00 |
| 9000/9005 | |
| | |
| 4200/4220/019/Finance | 4 543.56 |
| 3800/3810/019/Finance | 63 376.40 |
| 9000/9005 | |
| | |
| 7700/7700/019/Finance | 24 561.40 |
| 8500/9845/02/Corporate | |
| | |
| 8500/9845/02/Corporate/ACC | 682.26 |
| | |
| 3700/9845/02/Corporate | |
| | |
| 9400/9425 (CG :Operations & Maintenance) | 6 698 025.22 |
| 9950/9953/019/Finance | |
| | |
| 9950/9951 | 310 083.00 |
| 8100/8103/03/Technical | |
| on 2014 | |
| | |
| 8100/8103/03/Technical | 425 069.00 |
| 9950/9951 | |
| | |
| | |
| 9950/9951 | 6 200.00 |
| 8500/8527/03/Technical/OPE/EQ | |
| | |
| | |
| | |
| 9950/9951 | 299.00 |
| 8500/8532/01/MM/OP | |
| | |
| | |
| | |
| | 3 238.00 |
| 9950/9951 | |
| sed assets) | |
| | |
| 8500/8532/03/Technical/ | 373.00 |
| 9950/9951 | |
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| CR | COMMAF # | EX # |
|--------------|-------------|------|
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| 706 902.00 | | |
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